



**INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**

**Casebook Issue 50:  
Insolvency Tale of MLP  
Developers & Promoters  
Private Limited**

**INSOLVENCY  
UNCOVERED**

## Index

<b>1. About MLP Developers &amp; Promoters Private Ltd.....</b>	<b>2</b>
<b>2. Major Financial Creditors/Bankers.....</b>	<b>3</b>
<b>3. CIRP of MLP Developers &amp; Promoters Private Ltd.....</b>	<b>3-5</b>
▪ <i>Shri Sarthak Gupta and Ms. Dolly Gupta filed applied to initiate CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016</i>	
▪ <i>Appointment of IRP</i>	
▪ <i>Order of Moratorium &amp; Public Announcement</i>	
▪ <i>Interim Resolution Professional (“IRP”) files application for constitution of COC</i>	
<b>4. Liquidation of MLP Developers &amp; Promoters Private Ltd ....</b>	<b>5-6</b>
<b>5. Timeline.....</b>	<b>7</b>
<b>6. Bibliography.....</b>	<b>8</b>

## **About MLP Developers & Promoters Private Limited**

MLP Developers & Promoters Private Limited is a Non-government Company, incorporated on 06th April, 2017. It's a private unlisted company and is classified as 'company limited by shares'. Company's authorized capital stands at Rs 1.0 lakhs and has 100.0% paid-up capital which is Rs 1.0 lakhs.

Company is registered in Delhi (Haryana), Registrar Office address is Villa No. F-1/6, Sector -3, Eldeco Estate One Panipat, HR- 132103. Company's registration number is 68469 and its Corporate Identification Number(CIN) is U70200HR2017PTC068469.

Directors of MLP Developers & Promoters Private Limited are Mr. Sarthak Gupta, Mr. Sanjay Gupta, Mr. Dolly Gupta and Mr. Rajesh Gupta. It is involved in Real estate activities on a fee or contract basis. [This class includes buying, selling, renting managing and appraising real estate on a fee or contract basis. This class also includes the service activities provided by Munshi.]

### **Major Financial Creditors/Bankers**

The Major Financial creditors were Shri Sarthak Gupta and Ms. Dolly Gupta.

## **CIRP OF MLP DEVELOPERS & PROMOTERS PRIVATE LIMITED**

### **Shri Sarthak Gupta and Ms. Dolly Gupta filed an application for initiating CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016 2**

Application in Form was filed under Section 7 of the Insolvency & Bankruptcy Code, 2016 (Code) read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by a Financial Creditor, (hereinafter referred as 'the Creditor') namely, Sarthak Gupta and Dolly Gupta, The Corporate Debtor, namely, MLP Developers and Promoters Private Limited (hereinafter referred as 'the Debtor'), Both the financial creditors have signed the Form I and their affidavits verifying the contents of the application are at pages of the petition. As per Section 7(1) of the Code, application for initiating CIRP can be filed by a financial creditor either by itself or jointly with other financial creditors.

It is stated that the financial creditors are Directors of MLP Developers and that MLP Developers took unsecured loan of ₹1,07,50,000 and ₹52,50,000 from Shri Sarthak Gupta and Ms. Dolly Gupta respectively. The loans are stated to be taken during the period 09.05.2017 to 14.09.2017. The amount claimed to be in default is stated to be ₹63,69,963 for both the financial creditors i.e. principal amounts of ₹9,50,000 and ₹52,50,000 in the case of Sh. Sarthak Gupta and Ms. Dolly Gupta respectively and interest payable at 18% per annum.`

The Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going

concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor.

### **Appointment of IRP2**

The application for initiation of CIRP was accepted by Adjudicating Authority (AA) vide order dated 27.01.2020 and Interim Resolution Professional was appointed and he provided his consent to act as IRP.

In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the IRP.

### **Order of Moratorium & Public Announcement2**

Moratorium shall have effect from 27.01.2020 till the completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under sub-section (1) of section 31 of IBC or passes an order for liquidation of corporate debtor under section 33 of IBC, as the case may be.

Public announcement to be made within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor.

### **Interim Resolution Professional (“IRP”) files application for constitution of COC<sup>3</sup>**

Application has been filed by the Interim Resolution Professional of M/s MLP Developers and Promoters Pvt. Ltd., i.e. the corporate debtor under Section 60(5)(c) read with Section 21 of the I&B Code and Regulation 16 of the IBBI (IRP for Corporate Persons) Regulations, 2016 seeking for passing appropriate directions or orders regarding the constitution of the Committee of Creditors (COC) in the light of the fact that there are no operational creditors, no workmen, no employees and no financial creditors (other than the petitioners and other Directors of the corporate debtor being the related parties as per the provisions of the Code). The applicant received only two claims which were from the petitioners in the who are the financial creditors of the corporate debtor.

Other than the claims of the petitioners in the CP, who are the directors and related parties of the corporate debtor, not even a single claim is received against the corporate debtor and in such circumstances, even if the COC is constituted and the process of CIRP is undergone, the claimants would be the petitioners in the CP only.

Therefore, the AA was of view that no useful purpose would be served by constituting the COC and by proceeding with the CIRP process. Hence, they treated this IA as an IA filed under Section 33(1) and direct that the corporate debtor be liquidated as per the provisions of the Code and Regulations made thereunder.

### **NCLT passes the Liquidation Order 3**


The NCLT passed the liquidation order on 10.03.2021 and appointed IRP as the Liquidator. All the powers of the Board of Directors, key managerial personnel and the partners of the Corporate Debtor, as the case may be, shall cease to have effect and shall be vested in the liquidator.


This order of liquidation under Section 33 of the Code shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the liquidator. The personnel of the Corporate Debtor shall extend all assistance and cooperation to the Liquidator as may be required by him in managing the affairs of the Corporate Debtor and provisions of Section 19 of the Code shall apply in relation to liquidation process as they apply in relation to resolution process.


The Liquidator shall publish public announcement in accordance with Regulation 12 of the Liquidation Process Regulations, 2016 and in Form B of Schedule II of these Regulations within five days from receipt of this order calling upon the stake holders to submit their claims as on liquidation commencement date and provide the last date for submission of claim which shall be 30 days from the liquidation commencement date.


Registry was directed to communicate this order to the Registrar of Companies, NCT of Delhi & Haryana and to the liquidator. Fresh Moratorium under section 33(5) to commence. The Liquidator to submit Preliminary Report to the Adjudicating Authority within 75 days and to file regular progress reports as per Rule 15 of the Liquidation Process Regulations 2016 every fortnightly thereafter.


## Timeline

- 
- 06.04.2017
  - Incorporation of MLP Developers & Promoters Private Limited

- 
- 27.01.2020
  - Commencement of CIRP

- 
- 27.01.2020
  - Order of Moratorium

- 
- 30.01.2020
  - Public Announcement by IRP

- 
- 10.03.2021
  - Liquidation Order passed by NCLT



## **Bibliography**

1. <https://www.mca.gov.in/mcafoportal/companyLLPMasterData.do>
2. <https://ibbi.gov.in/uploads/order/bad39425da226fd4ac869288d05bbd61.pdf>
3. <https://ibbi.gov.in/uploads/order/d353ba04dcbe3babbd0354ebba14772d.pdf>