



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

Casebook Issue 46:
Insolvency Tale of
PD Advisory Services
LLP

**INSOLVENCY
UNCOVERED**

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About PD Advisory Services LLP 1

PD Advisory Services LLP is a Limited Liability Partnership firm incorporated on 18 December 2014. It is registered at Registrar of Companies, Delhi. Its total obligation of contribution is Rs. 100,000.

Designated Partners of Pd Advisory Services LLP are Punita Taneja and Devendra Taneja.

Its registered address is C/o Green Desks 404, Vishal Bhawan, 95 Nehru Place South Delhi - 110019.

The main business was of Wholesale trade and commission trade, except of motor vehicles and motorcycles.

Major Financial Creditors/Bankers

The Financial creditor for Corporate Debtor (“CD”) was Bharat Chugh.

CIRP OF PD ADVISORY SERVICES LLP

Bharat Chugh filed an application for initiating CIRP under section 7 of the Insolvency and Bankruptcy Code, 2016 2

Bharat Chugh filed Petition under Section 7 of the Insolvency & Bankruptcy Code, 2016 ("IBC") read with Rule 4 of Insolvency & Bankruptcy (AAA) Rules, 2016, by a Financial Creditor, (hereinafter referred as 'the Creditor'). The Corporate Debtor, namely, M/s. PD Advisory Services LLP (hereinafter referred as 'the Debtor'), have committed default of Rs.2, 59,50,750/-(inclusive of interest) outstanding.

The Financial Creditor proposed Ms. Maya Gupta, as the IRP to carry the functions as mentioned under the Code.

Financial Creditor directed to deposit a sum of Rs. 2 lakhs with the IRP to meet out the expenses to perform the Functions assigned to him within 3 days from the date of the order.

Direction were issued to ex-management to provide all documents in their possession and furnish every information within their knowledge within one week of admission of the petition to the IRP.

Order of Moratorium & Public Announcement³

Moratorium shall have effect from 24th April, 2019, it shall remain effective till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) Section 31 of IBC or passes an order for liquidation of corporate debtor under section 33 of IBC, as the case may be. Additionally, the supply of essential Goods or services to the Corporate Debtor as may be specified is not to be hindered during the Moratorium Period.

Public announcement of the Corporate Insolvency Resolution Process was made immediately as specified under section 13(2), IBC, 2016.

Appointment of IRP as RP4

Mr. Bharat Chugh was the sole member of the CoC having 100% Voting share. In the first meeting of CoC which was held on 19.11.2018, Ms. Maya Gupta, IRP was appointed as Resolution Professional.

NCLT passes the Liquidation Order 5

RP through its Ld. Counsel filed under section 33 & 34 of IBC, 2016, filed application for liquidation of the Corporate Debtor, under the resolution passed by the CoC. During CIRP, no resolution plan was submitted; therefore, the members of the CoC decided for liquidation of the Corporate debtor. CoC in its 03rd meeting on 24th February, 2020 resolved to liquidate the Corporate Debtor with 100% voting shares. Mr. Nishant Gaurav Gupta, to act as liquidator in terms of section 32(1) of the IBC, 2016. The liquidator to issue public announcement stating that the Corporate Debtor is in Liquidation in terms of Regulation 12 of the IBBI(Liquidation Process) Regulations, 2016.


The Liquidator for conducting the liquidation proceedings would be entitled to the fees as provided in Regulation 4 of the IBBI (Liquidation Process Regulations), 2016 and the same will be paid to the Liquidator from the proceeds of the Liquidation

Estate u/s 53 of the code. Registry was directed to communicate this order to the Registrar of Companies, NCT of Delhi & Haryana and to the IBBI.


Fresh Moratorium under section 33(5) to commence.


The Liquidator shall follow up and investigate the financial affairs of the Corporate Debtor in accordance with the provisions of Section 35(1) of the code. The Liquidator to submit Preliminary Report to the Adjudicating Authority within 75 days from the Liquidation Commencement Date.

Timeline

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- 21.10.2019
 - NCLT admitted application for CIRP.

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- 21.10.2019
 - Order of Moratorium & Public Announcement

- 
- 19.11.2018
 - Appointment of IRP as RP

- 
- 04.09.2020
 - Liquidation Order passed by NCLT

Bibliography

1<http://www.mca.gov.in/mcafoportal/companyLLPMasterData.do>

2<https://nclt.gov.in/sites/default/files/Interim-Order-pdf/Bharat%20Chugh%20Vs.%20PD%20Advisory%20Services%20LLP%20.pdf>

3<https://nclt.gov.in/sites/default/files/Interim-Order-pdf/Bharat%20Chugh%20Vs.%20PD%20Advisory%20Services%20LLP%20.pdf>

4<https://nclt.gov.in/sites/default/files/September/Interim-order-pdf/Bharat%20Chugh%20Vs.%20PD%20Advisory%20Services%20LLP%20.pdf>

5<https://nclt.gov.in/sites/default/files/September/Interim-order-pdf/Bharat%20Chugh%20Vs.%20PD%20Advisory%20Services%20LLP%20.pdf>