

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

Casebook Issue

**Corporate
Insolvency
Resolution Process
journey of**

**Metro Management
Services Pvt. Ltd.**

**INSOLVENCY
UNCOVERED**

INDEX

| | |
|---|---|
| 1. About Metro Management Services Private Limited..... | 1 |
| 2. Major Financial Creditors/Bankers..... | 1 |
| 3. CIRP of Metro Management Services Private Limited..... | 2 |
| • <i>CIRP initiation under Section 7 of I&B Code, 2016</i> | |
| • <i>Admission and Initiation of CIRP of M/s Pro Minerals Private Limited</i> | |
| • <i>Order of Moratorium & appointment of IRP</i> | |
| • <i>Public Announcement and Constitution of CoC</i> | |
| • <i>1st CoC meeting and Appointment of RP & Valuers</i> | |
| • <i>2nd CoC meeting</i> | |
| 4. Liquidation of corporate debtor..... | 5 |
| 5. Timeline..... | 6 |
| 6. Bibliography | 7 |

About Metro Management Services Private Limited¹

Metro Management Services Private Limited is a Private company incorporated on 20 March 1998. It is classified as Non-govt Company and is registered at Registrar of Companies, Delhi. It is involved in Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy.

Its authorized share capital is Rs. 110,000,000 and its paid up capital is Rs. 500,000.

Metro Management Services Private Limited's Corporate Identification Number is (CIN) U74140DL1998PTC092837 and its registration number is 92837. Its registered address is L-60 B, Malviya Nagar New Delhi 110017 India.

Metro Management Services Private Limited's Annual General Meeting (AGM) was last held on 24 November 2021 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2021.

Directors of Metro Management Services Private Limited are Mr. Pandarinath Anney & Mr. Jagdish.

Major Creditor

- Dewdrops Mercantile Private Limited was the only and major claimant in this case.

CIRP of Metro Management Services Private Limited²

CIRP initiation under Section 7 of I&B Code, 2016

Section 7 of I&B Code, 2016 allows a financial creditor of a defaulting corporate debtor to file and initiate CIRP before the Adjudicating Authority. Financial creditor, Dewdrops Mercantile Private Limited initiated the CIRP of Metro Management Services Private Limited under section 7 of IBC, 2016.

Admission and Initiation of CIRP of M/s Pro Minerals Private Limited

The Corporate Insolvency Resolution Process (CIRP) was initiated and was presented for hearing before the Adjudicating Authority, NCLT of New Delhi Bench VI. The matter was presented by Adv. Mr. Ashish Virmani and Mr. Anil Saxena the Authorized representative of the Financial Creditor Dewdrops Mercantile Private Limited.

The Financial Creditor Dewdrops Mercantile Pvt. Ltd. entered into a loan agreement on 25.07.2019 wherein, he agreed to lend a sum of Rs. 15,00,000/- to the corporate debtor i.e. Metro Management Services Private Limited. Dewdrops Mercantile Pvt. Ltd. further states that the Metro Management services pvt. Ltd. was required to repay the Loan amount by 31.07.2020 along with interest @18% P.A. on the Loan Facility on monthly basis. The interest was payable on the last day of each month commencing from 31.08.2019.

Metro Management Services had committed default in settling the amount of Rs. 16,39,808/-.

The Corporate Debtor further submitted that the terms of the loan Agreement could not be honoured by the Corporate Debtor as defaults were committed in making the payment of interest amount to the Financial Creditor owing to the financial crisis and a difficult financial position of the corporate debtor due to unforeseen circumstances.

Order of moratorium and appointment of IRP

The order of moratorium under section 14 of the “Insolvency & Bankruptcy Code 21016” against corporate debtor shall have effect from 01, April 2021 till the completion of CIRP.

Mr. Ashok Arora was appointed as IRP to carry forward the process of CIRP.

Public Announcement and Constitution of CoC

The IRP issued a Public Announcement dated 09.04.2021 under Section 13 and 15 of the Insolvency and Bankruptcy Code, 2016, in daily newspaper 'Financial Express' in English and 'Jansatta' in Hindi in Prescribed Form A, and invited claims from the creditors of the Corporate Debtor. On receiving only one claim i.e., from Financial Creditor, M/s Dew Drops Mercantile Private Limited, the IP constituted the CoC, in accordance with the provisions of section 21 of the Code, comprising of the said Financial Creditor as the sole COC member.

1st CoC meeting and Appointment of RP & Valuers

On first meeting of CoC held on 30.04.2021, the IRP was appointed as the Resolution Professional and the COC also appointed Ms. Aashlesha and Ms. Amandeep Kaur as the Registered Valuers for determining the fair value and Liquidation value of the Corporate Debtor in the first meeting of COC.

2nd CoC meeting

The 2nd COC meeting was held on 03.06.2021, wherein the sole COC member decided not to take up the agenda items, pertaining to preparations of information Memorandum and Invitation of Expression of Interest, instead at the 2nd COC meeting the sole COC member decided not to continue the CIRP as the Corporate Debtor has not been carrying out any activity for the last many years thus, there were no future business prospects for the Corporate Debtor.

Liquidation of corporate debtor³

Application for liquidation has been filed as per the provisions of section 33 of IBC, 2016.


Tribunal after taking into consideration the present facts, circumstances and the provisions of law, hereby order for liquidation of the corporate debtor and in the circumstances the corporate debtor stands Liquidated, and the incidence of liquidation is to follow, on and from the date 01, October 2021 in terms of the provisions of IBC, 2016 and also in terms of Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017.


Mr. Ashok Arora, Resolution professional, is appointed as Liquidator and has given consent to act as liquidator for Metro Management Services pvt. Ltd., under section 34 of the Insolvency & Bankruptcy Code, 2016.


The Liquidator Mr. Ashok Arora is directed to take steps to issue Public Announcement stating that the corporate debtor is in liquidation, in terms of Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.


Timeline


- 
- 20 March 1998
 - Metro Managment Services Pvt. Ltd. was incorporated

- 
- 01 April 2021
 - Initation of CIRP by Dewdrops mercantile Pvt. Ltd.
 - Order of moratorium & Appointment of IRP Mr. Asok Arora

- 
- 09 April 2021
 - Public Announcement

-
- 
- 30 April 2021
 - First CoC meeting
 - Appointment of RP & Registered Valuers

- 
- 03 June 2021
 - 2nd CoC meeting

- 
- 01 October 2021
 - Order for Liquidation
-

Bibliography

1. <https://www.mca.gov.in/mcafoportal/companyLLPMasterData.do>
2. <https://ibbi.gov.in/uploads/order/aafc4669caedcf299b8f1beb1d38e9b0.pdf>
3. <https://ibbi.gov.in/uploads/order/8817a6d92fc514d5af870566326d5a5c.pdf>