



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI**

IA (IBC)/2125 (CHE)/2023

In

MA/62/2021

In

IBA/842/IB/2019

In the matter of M/s. A School India Private Limited (In Liquidation)

SHRI. BHASKAR B

Liquidator of *M/s. A School India Private Limited (In Liquidation)*,
Regn No. IBBI/IPA – 002/IP – N00644/2018 – 2019/12024,
4/447A, 7th Street, Aruna Nagar, K Vadamadurai Post,
Coimbatore, Tamil Nadu – 641 017

... Applicant

Order Pronounced on 31st May 2024

CORAM

Shri. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

Shri. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present

For Applicant: Mr. Sarath Babu B, Advocate

ORDER

(Hearing Conducted through VC)

1. This Application has been filed under Section 54 of the Insolvency and Bankruptcy Code, 2016 by the liquidator of the Corporate Debtor herein seeking for Dissolution of the Corporate Debtor viz., *M/s. A SCHOOL INDIA PRIVATE LIMITED (IN LIQUIDATION)* praying following reliefs,

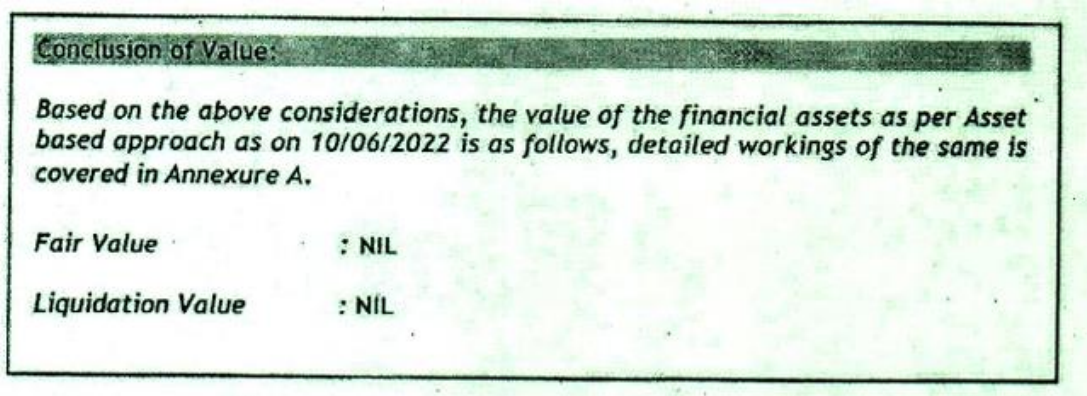


- a) *To issue necessary orders that the subject company under the liquidation is dissolved under section 54(1) and other applicable provisions of the Insolvency and Bankruptcy Code, 2016.*
 - b) *To issue necessary directions to CoC to make payment of outstanding professional fee of Rs.3,88,090 /- along with GST as applicable to the liquidator towards Liquidation cost and professional fee*
 - c) *That such further orders(s) be made and directions given, affording necessary reliefs to the Applicant as in the premises that may deem fit and proper.*
2. It is stated that CIRP of the Corporate Debtor was initiated by this Tribunal vide order dated 08.11.2019 and one Mr. S R Krishnan was appointed as Interim Resolution Professional (IRP) and thereafter another Mr. L V Shyam Sundar was appointed as Resolution Professional (RP) based on the decision of the CoC vide tribunal order dated 21.01.2020.
 3. It is stated that the Liquidation of the Corporate Debtor was ordered by this Tribunal on 25.04.2022 in MA/62/CHE/2021 in IBA/842/2019 and the Applicant herein was appointed as the Liquidator.
 4. It is submitted that the communication in respect of Order of Liquidation of the CD and appointment of applicant as the Liquidator was received only on 10.06.2022. Pursuant to the said communication, the Applicant caused the Public Announcement on 13.06.2022 in



Form-B, inviting claims from all the stakeholders and fixed the last date for submission of claim as 09.07.2022.

5. There is no information regarding the Liquidation bank account opening and from Form H it is observed that the applicant/ Liquidator used his personal bank account for the purpose of Liquidation process. Bank Account closure certificate of CD dated 04.10.2023 has been submitted.
6. It is submitted that, Mr. M Pragadeeshkanna, Registered Valuer was appointed for valuation of assets of the CD on 14.06.2022 .The Valuation report disclosed both the Fair Value and Liquidation Value of the CD as Nil because corporate debtor has no assets.



Annexure to Valuation Report highlighted Financial Assets of Cash & Bank Balance of Rs.3,031/- and Short Term Loans & Advances of Rs.14,2,693/-. The efforts to recover the said Short Term Loans & Advances failed.



7. It is submitted that, there is no business operations carried out by CD. Further it is averred that, there is no office setup in the registered office of the CD and no information was available as to the suspended management, therefore the applicant has moved the present application for the Dissolution of the Corporate Debtor.
8. The details of the relevant compliances as mandated under Section 54 of the IBC, 2016 read with the IBBI (Liquidation Process) Regulations, 2016 are listed hereunder:-

S. No	COMPLIANCE	AVERMENTS	PAGE NO
1	Regulation 12	Public Announcement in Form B in Business Standard and Makkal Kural dated 13.06.2022	98A, 98B of the application
2	Regulation 35(2)	Appointment of Registered Valuers where no valuation conducted during CIRP	16 – 17 of the Compliance memo
3	Regulation 31(2)	List of Stakeholders	8-10 of the compliance memo
4	Regulation 31A	Constitution of Stakeholders Consultation Committee (SCC)	8-10 of the compliance memo
5	Regulation 13	Preliminary Report dated 23.08.2022	63 – 65 of the application
6	Regulation 34	Preparation of Asset Memorandum	67 of the application
7	Regulation 41	Opening of Bank Account in the name of the company in Liquidation	N/A
8		Proof of Closure of the above Bank Account and other account in the name of the CD	127 of the application
9	Regulation 36	Asset Sale Reports after sale of Reports	N/A
10	Regulation 42(2)	Proof of Distribution within Ninety days from the receipt of realization	N/A
11	Regulation 45(3)	Final report dated 04.09.2023	119 – 122 of the application
12	Regulation 5(1)(e)	Compilation of Minutes of SCC	48-49
13	Regulation 15	Audited Accounts of receipts and Payments	Not Available
14	Regulation 37	Completion of Liquidation Process within one year from Liquidation Commencement Date or extension if any, date of the order & period	3 month extension obtained vide IA(IBC)/1086/2023
15		Form-H –Compliance Certificate	99 - 105 of the application



9. We have heard Ld. Counsel for the Applicant and perused the reports filed by the Liquidator.
10. It is stated in Form H that no applications are pending before this Tribunal for avoidance, Preferential, Undervalued or Fraudulent Transactions.
11. The Tribunal vide its order dated 23.02.2024 directed the Applicant/ Liquidator to clarify the following requirements in respect of the Dissolution application. "The same is extracted as below,
 1. *Maintainability of the prayer/ relief clause.*
 2. *Audited payments and receipts for the liquidation process.*
 3. *CoC minutes approving liquidator and his remuneration*
 4. *Bank account statements of Corporate Debtor*
 5. *Justification in respect of delay in filing Asset memorandum and List of stakeholders.*
 6. *Justification in respect of using personal bank account of the applicant himself in liquidation process in-spite of creating a separate liquidation account in the name of the Corporate Debtor.*
 7. *Valuer appointment details and Valuation reports.*
 8. *Synopsis as per the NCLT Chennai Bench circular dated 08.02.2023."*
12. Pursuant to the explanations submitted by the applicant / Liquidator vide a compliance memo dated 21.03.2024 tribunal records the following observations,



- a) Due to non-cooperation of the CoC members, failure to reimburse the liquidation expenses and non-availability sufficient assets to meet the liquidation expenditure, this application has been filed for Dissolution of the CD along with suitable orders as to the payment of the Liquidator fees and expenses.
- b) As there are no assets in the company except the Bank Balance of Rs.7234.14/-, the Liquidator did not record the Payments and Receipts of the Liquidation Process.
- c) Instead of furnishing the details of claims received, admitted and Composition of Stakeholder Consultation Committee (SCC) constituted, applicant has provided Minutes of Second Meeting of SCC of the CD, which shows only four individuals as Operational Creditors and no other information. In Form H, it is submitted that a List of Stakeholders has been submitted to Adjudicating Authority on 10.08.2022.
- d) The Minutes of the Second Meeting of SCC of the CD in Liquidation, which shows approval pending in respect of Fixation of Liquidation fee and Liquidation cost including estimated legal fees. The mail communication attached is also unclear in terms of payment.
- e) The statement of the CD's Bank Account maintained with HDFC Bank, Mogappair – West as on 13.07.2023 is produced which shows the closing balance of Rs.7,234.13/-. The said account was closed on 29.09.2023 and certificate to that effect is placed on Page 127 of the Application.



- f) Delay in filing the Asset Memorandum was due to non-availability of Books of accounts of the CD and therefore the same has been prepared based on the Audited Balance Sheet as on 31.03.2017. The applicant has filed the Estimated Liabilities valued on the Liquidation Commencement Date as Asset Memorandum at Page 67 of the Application.
- g) The company maintained that only the above referred HDFC bank account, which need to be closed before filing this dissolution application. There were no KYC and PAN available for the said account since all the registered communication was cut off and the E-mails bounced back. Therefore the liquidator transferred the amount of Rs.7,234.13/- lying in the CD account to his personal account (i.e. personal account of the Liquidator). As this is in violation of the statutory regulation this tribunal questioned the same and therefore the applicant liquidator has deposited the said amount as FD in his name with HDFC bank bearing Deposit Account No. 50300865523159 on 24.02.2024.
13. Form H, showing the realization and the distribution which are reproduced as under:

Realization:

Sl. No	Particulars	Description
(1)	(2)	(3)
1.	Sale of Assets	NA
2.	Refund from Statutory Authorities	NA
3.	Cash / Bank balance	Rs.3,031
4.	Realization of uncalled/un paid capital contribution	NA
5.	Distribution of unsold asset	NA
6.	Any other (Please specify)	NA
	Total	Rs.3,031



Distribution:

4. Details of distribution to stakeholders as per section 52 or 53 of the Code:

(Amount in Lakhs)

Sl. No	Stakeholders* under section S2 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Realization of Security Interest [Sec. 52(1)(b)]	NA				
2.	Liquidation Cost [Sec. 53(1)(a)]	1.8	1.8	Received Rs. 1.0 only	Balance yet to be received	
3.	Workmen 's Dues [Sec.53(1)(b)(i)]	NA				
4.	Debts of Secured Creditors [Sec.53(1)(b)(ii)]	NA				
5.	Wages and LV n paid Dues to Employees [Sec. 53(1)(c)]	NA				
6.	Debts of Un secured Financial Creditors [Sec. 53(1)(d)]	NA				
7.	Government Dues *Amount Unpaid Enforcement of Security Interest [Sec.53(1)(e)]	NA				
8.	Any remaining Debt sand Dues [Sec. 53(1)(f)]	NA				
9.	Preference Shareholders [Sec. 53(1)(g)]	NA				
10.	Equity Shareholders [Sec.53(1)(h)]	NA				
	Total	2.8	2.8			

14. From the averments made in the Application along with the perusal of the final report and the Compliance Certificate filed in Form-H by the Applicant, it is seen that the Corporate Debtor has neither assets nor cash balance for distribution or for continuance of liquidation process. In view of above circumstances and considering the averment and reliefs prayed, we find it necessary to pass an order of dissolution of the Corporate Debtor under Section 54 of the IBC, 2016.



15. In respect of the other relief, seeking directions for payment of outstanding fee towards liquidation cost and professional fees, we don't find sufficient evidence on record in favor of the applicant/ liquidator and thus said relief is not allowed.
16. Accordingly, we order for the dissolution of the Corporate Debtor viz., *M/s. A School India Private Limited (In Liquidation)*. The Liquidator is directed to forward the copy of this Order to the RoC concerned and also to the IBBI for its records within a period of 7 days from the date of this Order.
17. The Registry, NCLT, Chennai is *directed to mark the copy of this order to Insolvency and Bankruptcy Board of India (IBBI)*, for necessary actions.
18. In terms of the above, this *IA (IBC)/2125 (CHE)/2023* is partially allowed in respect of dissolution of the corporate debtor in liquidation and stands disposed of.

-Sd/-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd/-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)