

**THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV**

I.A. 1777 OF 2020

Under Section 33 of Insolvency &
Bankruptcy Code, 2016

Brijendra Kumar Mishra
Resolution Professional

...Applicant

In the matter of

C.P.(IB) No. 2671/MB/2019

Bank of Baroda

Financial Creditor

Vs.

Renaissance Education Pvt. Ltd.

Corporate Debtor

Order delivered on: 19/12/2023

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Justice Shri V.G. Bisht
Hon'ble Member (Judicial)

Appearances (via videoconferencing):

For the Applicant/RP

: Mr. Umang Mehta a/w Ms.
Aalisha Sharma, Advocate

ORDER

1. The above application I.A. No. 1777/2020 is filed by Mr. Brijendra Kumar Mishra, seeking liquidation of Renaissance Education Private Limited (hereinafter referred to as the

“Corporate Debtor”) under Section 33 (1) of the Insolvency and Code, 2016 (hereinafter called as “the Code”).

2. The brief facts of the application are as follows:

- i. The Applicant mentions that this Tribunal vide its order dated 10.01.2020 in Company Petition No. 2671/IBC/MB/2019 admitted the petition under Section 7 of the Code, filed by Bank of Baroda (hereinafter referred to as the “Financial Creditor”) and Corporate Insolvency Resolution Process (hereinafter referred to as the “CIRP”) was initiated against the Corporate Debtor. Mr. Brijendra Kumar Mishra, was appointed as the Interim Resolution Professional of the Corporate Debtor by this Tribunal.
- ii. The Applicant has made Public Announcement in Form A - under regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“CIRP Regulations”), inviting claims from the creditors of the Corporate Debtor in two newspapers, namely (i) Free Press Journal (English) and Navshakti (Marathi).

- iii. The Applicant further states that the Suspended Directors of the Corporate Debtor have filed an Appeal bearing no. 371 of 2020 before the Hon'ble N.C.L.A.T to stay and dismiss the admission order dated January 10, 2020 sighting Limitation applicable to the CIRP. The hearing of the said Appeal was conducted on March 3, 2020 and was scheduled for hearing on March 24, 2020. However, amidst the Nationwide Lockdown the said proceedings remain pending and subjudice till date. It is pertinent to note that the said Admission has not been stayed by the Hon'ble N.C.L.A.T. and as such the said Order is still in force as on date.
- iv. The Applicant further states that, on further review of the data available with the Applicant, it came to notice of the Applicant that the revenue generated by the Corporate Debtor for its schooling operations is utilised by Renaissance Education Trust ("Said Trust"). Accordingly, in view of the trust being a separate entity, the Applicant sought several details with regard to the operations of the Trust from the Trustees of the said Trust who are also the Promoters of the Corporate Debtor.

- v. However, despite repeated requests and reminders the Trustees of the said Trust did not share any data related to the operations of the Trust. Furthermore, on certain information sought by Applicant from the Promoters of the Corporate Debtor, it came to the notice of the Applicant that there is no agreement executed between the Corporate Debtor and said Trust which could have facilitated the aforesaid transaction. Hence, it is imperative that the funds/income generated by the Corporate Debtor are being merely diverted to the said Trust. Considering abovementioned fact, the Applicant classified the aforesaid transaction as a vulnerable Transaction.
- vi. It is pertinent to note due to the lack of requisite information and no data available from the data provided, the Applicant was unable to prepare Information Memorandum. However, on perusal of the Balance Sheet of the Corporate Debtor as on March 31, 2019, it came to the notice of the Applicant that the Corporate Debtor had a net block of assets worth INR 52,705,006 (INR Five Crore Twenty- Seven Lakhs Five Thousand and Six). Details of Buildings and Fixed Assets Register are not provided by the Promoter

and upon visit of the school, there are various buildings in the School Premises and hence the same cannot be identified upon physical verification.

- vii. Thereafter, the 3rd meeting of the CoC, it was put to the notice of the members of the CoC that due to substantial delay in providing the information by the personnel / promoters of the Corporate Debtor the Applicant is unable to accomplish the activities with regard to the CIRP of the Corporate Debtor within the stipulated timelines as contemplated under the IBC, more particularly being the preparation of Information Memorandum, Valuation of Assets of the Corporate Debtor, and Publication of advertisement inviting EOIs (Form – G).
- viii. It was further put to the notice of the CoC that as per section 11 of the Code, the CIRP must be completed within a period of 180 days from the date of commencement of CIRP. However, in the present scenario the period of 180 days has expired on July 8, 2020. The Applicant further put to the notice of the CoC that the aforesaid period of 180 days is computed without seeking an exemption in the CIRP period granted in Regulation 40C of CIRP Regulations.

- ix. In view of the aforesaid, the CoC unanimously decided and agreed that, the RP may take necessary steps to file relevant application under Section 33 of the Code for liquidation of the Corporate Debtor.
3. The Suspended Director Mr. Tejas S. Khandhar has filed a reply. He has filed a separate Application I.A. 1315/2022, which is dismissed by this Bench vide order of even date. This Bench finds that CoC has passed a resolution for liquidation of the Corporate Debtor. Accordingly, this Bench is not find any merit in the reply of the Suspended Director after having dealt with the IA 1315/2022, which is also in nature of objection.
4. After hearing the submissions made by the Counsel appearing for the Applicant and upon perusing the material available on record, this bench is of the opinion that the Corporate Debtor is required to be liquidated in the manner as laid down in the IBC 2016.
5. It is further noticed that the CoC has approved the appointment of Resolution Professional as the Liquidator. When the Counsel's attention was drawn to the IBBI guidelines in this relation requiring appointment of another IRP as liquidator, it was submitted before us the CoC has taken conscious decision and CoC wants to proceed with it. Accordingly, we confirm the appointment of Resolution Professional as liquidator.

ORDER

6. The above I.A. No. 1777/2023 is allowed and the Corporate Debtor “**Renaissance Education Pvt. Ltd**” is ordered to be liquidated as a going concern for the first attempt and if it fails, then sale by other methods should be tried.
- a. This Bench appoints Mr. Divyesh Desai, having Registration No. IBBI/IPA-001/IP-P00169/2017-2018/10338, is hereby appointed as the Liquidator as provided under Section 34(1) of the Code.
 - b. That the Liquidator for conduct of the liquidation proceedings would be entitled to the fees as provided in Regulation 4(2)(b) of the IBBI (Liquidation Process Regulations), 2016.
 - c. The Liquidator appointed in this case to initiate liquidation process as envisaged under Chapter-III of the Code by following the liquidation process given in the Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
 - d. The Liquidator appointed under section 34(1) of the Code. All 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 with the liquidator.

- e. That the Corporate Debtor to be liquidated in the manner as laid down in the Chapter by issuing Public Notice stating that the Corporate Debtor is in liquidation with a direction to the Liquidator to send this order to the ROC under which this Company has been registered.
- f. That the personnel of the Corporate Debtor are directed to extend all co-operation to the Liquidator as required by him in managing the liquidation process of the Corporate Debtor.
- g. That on having liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceeding shall be instituted by or against the Corporate Debtor save and except the liberty to the liquidator to institute suit or other legal proceeding on behalf of the Corporate Debtor with prior approval of this Adjudicating Authority.
- h. This liquidation order u/s 33(7) shall be deemed to be a notice of discharge to the officers, employees and workmen of the Corporate Debtor except to the extent of the business of the Corporate Debtor continued during the liquidation process by the Liquidator.
- i. The liquidator shall be at liberty to pursue pending the Interlocutory Application pertaining to avoidance transactions, if any.

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT I

I.A. 1777 OF 2020
IN
CP (IB) 2671/C-I/MB/2019

With the above directions, the I.A. No.1777/2020 filed u/s 33 (1) by the applicant is hereby allowed and disposed of.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Justice V.G. Bisht
Member (Judicial)