IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
(Court No. I)

KOLKATA

C.P. (I.B) No. 121/KB/2022

A Petition under section 10 of the Insolvency and Bankruptcy Code, 2016 read with rule 7 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations 2016.

And

In the matter of:

Teamspirit Facility Services Private Limited
(CIN: U93000JH2018PTC012175)
Having its registered office at: -
M P Nagina Complex, Near Mp Tower, Shop
No 3 Adityapur Jamshedpur Purba Singhbhum
Jharkhand - 831013.

...*Corporate Applicant*

Coram:

Shri Rohit Kapoor	:	Member (Judicial)
Shri Balraj Joshi	:	Member (Technical)

Date of hearing: 07.09.2022
Order pronounced on: 28.10.2022

Appearances (through video conference/physical hearing)

For Corporate Applicant;

1. Mr. A.K.Srivastava, Advocate
2. Mr. Akash Sharma, Advocate

<u>O R D E R</u>

Per: Rohit Kapoor, Member (Technical)

1. This Court convened *via* hybrid mode.

2. The present Petition has been filed by Teamspirit Facility Services Private Limited ***('the Corporate Applicant')***, under section 10 of the Insolvency and Bankruptcy Code, 2016 ***('the Code')*** for initiation of Corporate Insolvency Resolution Process ***('CIRP')*** against itself. The Application has been filed through its Director Mr. Satyashiv Singh, DIN: 06532480, duly authorised *vide* Board Resolution dated 01 March, 2022. A copy of the Board Resolution dated 01 March, 2022 is annexed to the Application and marked as **Annexure-V**.

3. The members of the Corporate Applicant have given their consent by way of a resolution passed in the Extra Ordinary General Meeting held on 25 March, 2022 to file the application under section 10 of the Code.

4. The Corporate Applicant was incorporated on 21 November, 2018 under the provisions of the Companies Act, 2013. The Corporate Applicant was involved in the business of man power supply and providing services of skilled, unskilled & semi-skilled warehouse supervisors and executives by way of recruitment, training and outsourcing.

5. The reasons for applying for initiation of the CIRP by the Corporate Applicant are as follows: -

5.1 The Corporate Applicant started its operations with a vision to set up a big base into man power supply and advisory services to public and private sector clients in all aspects by taking over initally existing business of the Directors of Corporate Applicant being carried on in the name and Style of Reliable Labour Organisation (RLO).

5.2 The main emphasis of the Corporate Applicant was on supply chain and logistics solutions, including warehouse management and distribution of services. These types of services are in great demand considering the thrust by the Government on promoting the service sector.

5.3 The Corporate Applicant took financial assistance from the Bank of India to run the ongoing operations of the existing business of the Directors of the Corporate Applicant being carried on in the name and style of M/s Reliable Labour Organisation (RLO) and to further enhance its business operations in the existing line of operation

5.4 However, that did not happen because of immediate lock down due to COVID-19 and reduction in activities and closure of business activities of the clients of the Corporate Applicant and and also abrupt closure of the of the existing business of the Director being carried in the name of style Reliable Labour Organisation

5.5 Said circumstances resulted in the Corporate Applicant's failure to repay to the Bank its outstanding dues and thereby committed a default in the books of the Corporate Applicant. Due to continued lock down the existing business dwindled

5.6 It was apparent that the business of the Corporate Applicant has failed and it currently has accumulated losses an of Rs.24,59,044/- and an outstanding dues of financial creditor amounting to Rs.2,47,07,000/-, interest as on 19.01.2022. In fact, the Corporate Applicant has almost discontinued its business from the last few years. The Corporate Applicant is unable to remit/pay the dues of Financial Creditor.

6. The Corporate Applicant has proposed the name of ***Mr. Nelson Leo Francis Xavier (Regn. No. IBBI/IPA-001/IP-P-02295/2021-2022/13578)*** having ***email i.d. fxnelsonleo@gmail.com***, to function as the Interim Resolution Professional (IRP). ***Mr. Neeraj Kejriwal*** has submitted his written communication in Form 2. The written communication is annexed to the application and marked as **Annexure-II**.

7. We have heard the learned Counsel appearing for the Corporate Applicant and have perused the documents on record.

8. There is no dispute from any quarter that the debt is due and payable by the Corporate Applicant to various creditors and that the Corporate Applicant is unable to pay the same.

9. The Corporate Applicant has furnished the books of accounts for the relevant period under section 10(3)(a); the Corporate Applicant has proposed the name of the IRP who has submitted its written consent (section 10(3)(b)); the Corporate Applicant has also filed the Special Resolution passed by shareholders in Extra Ordinary General Meeting dated 01.04.2021 under section 10(3)(c).

10. The Petition is free from defects and complete in all aspects as required under the law. The Petition shows that the Corporate Applicant is in default of a debt that is due and payable, and the default is more than the threshold amount as stipulated under section 4(1) of the Code at the relevant time. The default stands established and there is no reason to deny the admission of the present Petition.

11. Therefore, in the light of the facts stated in the application and the evidence placed on record, this Adjudicating Authority admits this Application and orders initiation of CIRP against the Corporate Applicant under the following terms: -

(a) The Application bearing C.P.(IB)No. 121/KB/2022 filed by the Corporate Applicant under section 10 of the Insolvency & Bankruptcy Code, 2016, is hereby admitted for initiating the Corporate Insolvency Resolution Process in respect of Teamspirit Facility Services Private Limited.

(b) There shall be a moratorium under section 14 of the IBC.

(c) The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Applicant under section 33 of the IBC, as the case may be.

(d) Public announcement of the CIRP shall be made immediately as specified under section 13 of the Code read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(e) As per the proposal given by the Corporate Applicant, ***Mr. Nelson Leo Francis Xavier (Regn. No. IBBI/IPA-001/IP-P-02295/2021-2022/13578))*** having ***email i.d. fxnelsonleo@gmail.com***, is appointed as the IRP for ascertaining the particulars of Creditors and convening a Committee of Creditors for evolving a Resolution Plan.

(f) During the CIRP period, the management of the Corporate Applicant shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the Code. The officers and managers of the Corporate Person shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this Order, in default of which coercive steps will follow.

(g) The IRP/RP shall submit to this Adjudicating Authority periodical reports on quarterly basis with regard to the progress of the CIRP in respect of the Corporate Applicant.

(h) The Corporate Applicant to pay to IRP a sum of ***Rs.2,00,000/- (Rupees Two Lakh only)*** to meet the initial costs, as per Regulation 33(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which amount shall be adjusted at the time of final payment.

(i) The Resolution Professional shall conduct CIRP in a time-bound manner as per Regulation 40A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.

(j) The Court Officer of this Court is hereby directed to communicate this Order to the Corporate Person and the IRP by Speed Post, email and WhatsApp immediately, and in any case, not later than two days from the date of this Order.

(k) Additionally, the Corporate Person shall serve a copy of this Order on the IRP and on the Registrar of Companies, Bihar, Patna, by all available means for updating the Master Data of the Corporate Applicant. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within seven days from the date of receipt of a copy of this order.

12. **CP (IB) No. 121/KB/2022** to come up on ***30 November, 2022*** for filing the first progress report.

13. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Balraj Joshi
Member (Technical)

Rohit Kapoor
Member (Judicial)

The Order is pronounced on 28th day of October, 2022

SA[LRA]