



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

**MA/(IBC)/6/CHE/2023 in IBA/319/2020**

*(Filed under Section 33(2) of the Insolvency and Bankruptcy Code, 2016)*

*In the matter of Force 1 Guarding Services Private Limited*

**K. K. Balasubramanian,**  
Resolution Professional of  
*Force 1 Guarding Services Private Limited*  
No.6/4, Rams Swathi Towers,  
5 & 7, Dr. Durgabai Deshmuk Road,  
R.A. Puram, Chennai – 600 028

*... Applicant /Resolution Professional*

**Present:**

*For Applicant* : *A. Rengarajan, PCS*

**CORAM:**

**SANJIV JAIN, MEMBER (JUDICIAL)**  
**VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

*Order Pronounced on 12<sup>th</sup> September 2023*

**ORDER**

**Per: SANJIV JAIN, MEMBER (JUDICIAL)**

This is an application filed under Section 33(2) and 60(5) of the  
Insolvency and Bankruptcy Code, 2016 seeking reliefs as follows:

- (i) To pass an order of liquidating the Corporate Debtor;*
- (ii) pass such other orders which are deemed fit and necessary  
in the nature and circumstances of the case and thus  
render justice.*



2. It is submitted that pursuant to an application filed under Section 9 of IBC 2016, the Corporate Insolvency Resolution Process was initiated against the Corporate Debtor viz. M/s. Force 1 Guarding Services Private Limited, by this Tribunal vide order dated 25.02.2021 and the Applicant herein was appointed as the Interim Resolution Professional (IRP).

3. It is stated that the Applicant made a Public Announcement in accordance with Section 15 of the Code read with Regulation 6 of Chapter III of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in the newspapers "Business Standard (English) and "Makkal Kural" dated 11.03.2021 and also in the website of the Insolvency and Bankruptcy Board of India.

4. It is stated that the 1<sup>st</sup> CoC meeting was held on 07.04.2021, wherein they approved the appointment of the Applicant herein as the Resolution Professional. Further, it is stated that the Applicant has appointed two Valuers to evaluate the assets of the company and the Valuer has given their valuation report.



5. It is submitted that the accounts of the Corporate Debtor were not finalized for the last two years and the applicant took efforts to complete the same by appointing professionals to carry out the work and obtained the provisional balance sheet for the period April 1, 2020 to March 31, 2021. It is submitted that due to lock down in Chennai due to the pandemic from 10 May, 2021 to 5 July 2021, the applicant was not in a position to carry out the work within the prescribed time period.

6. It is stated that the applicant convened the CoC meeting on 04.09.2021 and sought approval for both exclusion of the lockdown period and extension of CIRP process to carry out EOI, Information Memorandum RFRP and Resolution plans from prospective applicants. It is stated that this Tribunal approved the exclusion vide its order dated 04.12.2021 and extended the CIRP period upto 17.01.2022.

7. It is stated that the CoC meeting was convened on 13.01.2022 to evaluate the process and inform the Tribunal the present status and sought their approval for further Resolution process. However, it is submitted that the COC recommended liquidation of the Corporate Debtor for the following reasons:



- (a) During the process of completion of the accounts, collection of Trade Receivables of Rs108.29 lakhs was vigorously followed up; however, it did not result in any recovery.
- (b) The Statutory dues (GST dues) of the old invoices of some of the Customers was not remitted by the Corporate Debtor and the Customers were unable to take their Input Tax Credits which made the Customers holdback the payment of the outstanding dues against GST.
- (c) Some of the Customers have either closed down or facing Insolvency proceedings or disputed the claims or were unable to trace at the given address.
- (d) The Corporate Debtor being a Service Company has meager assets in comparison to its huge liabilities as per the provisional balance sheet dated 31.03.2021.
- (e) The CoC members is of the opinion that the process is not viable and also the time available is very short to carry out the process.

8. The Resolution passed by the CoC is attached at page 51 of Application, wherein the CoC has approved the Liquidation expenses of Rs.5 Lakhs.



9. The written consent of the Applicant to act as the Liquidator of the Corporate Debtor is placed at Page 72 of the Application and upon verification from the IBBI, it is found that the Authorization for Assignment for the Applicant is valid till 14.12.2023.
10. The Form-H has been filed and annexed at Annexure 8 of the Application typeset.
11. Upon perusal of the Application, it is seen that the Committee of Creditors with 85.33% of voting rights has resolved to liquidate the Corporate Debtor.
12. Section 33 (2) of the IBC, 2016 is extracted hereunder:-

**Section 33 (2)**

“Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors approved by not less than sixty-six percent of the voting share to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).”

13. As a consequence, the Corporate Debtor is ordered for liquidation as per Section 33(1)(a) of IBC, 2016. Even though the proposed Liquidator, K.K. Balasubramanian has filed his written consent to act as



the Liquidator of the Corporate Debtor, it is seen that the Regulator viz. IBBI vide its power vested under Section 34(4)(b) has recommended that an Insolvency Professional other than the RP / IRP shall be appointed as Liquidator, in all the cases where an order of Liquidation is passed.

14. Thus, from the latest list provided by IBBI, we hereby appoint **Ms. R. Lalitha** with Reg. No. **IBBI/IPA001/IPP00779/2017-2018/11352** (email id:- **lalitharca@gmail.com**) as the Liquidator of the Corporate Debtor, to carry out the liquidation process subject to the following terms of the directions.

- a) The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended upto date enjoined upon her.
- b) The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.
- c) The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/ undervalued transactions and such other like

*S. V. Balasubramanian*

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K.K. Balasubramanian, RP of Force 1 Guarding Private Limited

*[Signature]*



transactions including fraudulent preferences and file suitable application before this Adjudicating Authority.

- d) The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.
- e) The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company Applications during the process of liquidation.
- f) The Liquidator shall submit a Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further report as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.
- g) The Liquidator is directed to take necessary steps to sell the Corporate Debtor as a Going Concern as per Regulation 32A of the IBBI (Liquidation Process) Regulations, 2016

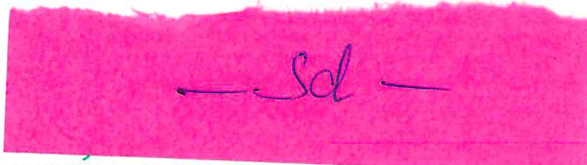
15. The Registry is directed to communicate this order to the Registrar of Companies, Chennai and to the Insolvency and Bankruptcy Board of India;



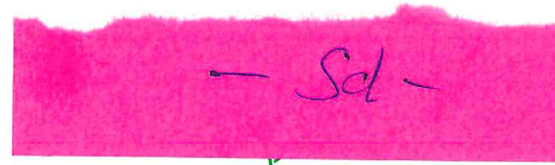
16. The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and that a fresh Moratorium under section 33(5) of the Insolvency and Bankruptcy Code shall commence.

17. Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary co-operation in relation to the Liquidation process of the Corporate Debtor.

18. With the above said directions, this MA(IBC)/6/CHE/2023 filed for Liquidation of the Corporate Debtor stands allowed.



**VENKATARAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)



**SANJIV JAIN**  
MEMBER (JUDICIAL)

*Raymond*