

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(Through Physical Hearing/ VC Mode (Hybrid))

CP (IB) No. 192/BB/2024

U/s. 9 of the IBC, 2016
r/w Rule 6 of the IBC (AAA) Rules, 2016

IN THE MATTER OF:

**G4S SECURE SOLUTIONS
INDIA PRIVATE LIMITED**

C-16, Community Centre, Janak Puri.
Behind Janak Cinema, New Delhi-110058

- Operational Creditor

Versus

STERNE INDIA PRIVATE LIMITED

05th Floor, Salarpuria Sattva Eminence,
Amani Bellendur Khane, Varthur Hobli,
Bengaluru East Taluk, Bellandur,
Bengaluru, Karnataka - 560103,

- Corporate Debtor

Order delivered on: 22.04.2025

CORAM:

Hon'ble Shri Sunil Kumar Aggarwal , Member (Judicial)

Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

Last Date of hearing:24.03.2025

PRESENT:

For the Petitioner: Shri Varun

For the Respondent: Shri Pramod S.M

ORDER

1. The present petition was filed on 20.08.2024 under section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC/Code"), r/w. Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016, by **G4S SECURE SOLUTIONS INDIA PRIVATE LIMITED** ("Operational Creditor/ Petitioner") inter alia seeking to initiate Corporate Insolvency Resolution Process ("CIRP")

against **STERNE INDIA PRIVATE LIMITED** (hereinafter referred as "Corporate Debtor/Respondent") on the ground that the Corporate Debtor has committed a default for a total outstanding amount of Rs.1,20,33,250/- (Rupees One Crore Twenty Lakh Thirty-Three Thousand Two Hundred and Fifty only)

2. The Date of Default was mentioned as 31.05.2023 in Part IV of Form No.5 filed with the Petition. However, on being asked to explain as to how the date of default is taken as 31.05.2023, the petitioner filed a memo stating that date of default was wrongly mentioned as 31.05.2023 and that the dates of default are 30.06.2023 to 30.05.2024 i.e., upon expiry of 30 days of each invoice in terms of Security Service Contract dated 07.12.2022 and thus first date of default is 30.06.2023.
3. It is also submitted that Affidavit regarding there being no pre-existing Dispute U/s 9(3) (b) has been filed and Demand Notice under Section 8(1), Form 3 is attached at **Annexure A-6**.
4. Relevant brief facts of the case are as follows:
 - a) The Petitioner/Operational Creditor is engaged in business of providing Secure Solutions, Corporate and Industrial Investigations to their clients along with a team of professional, trained and well-supervised Security Officers who are responsible for security and safety of assets, personnel and property of their clients. and the Respondent/Corporate Debtor is an entity incorporated on 24.10.2016 under the Companies Act, 2013 by the name of **STERNE INDIA PRIVATE LIMITED** which is engaged in the business of designing, manufacturing, fabricating, assembling, trading, importing, exporting, buying, selling, stocking, supplying, wholesaling, retailing, contracting, repairing, and hiring all types of electronic and electrical goods and home appliances.

- b) In the year 2022, the Corporate Debtor approached the Operational Creditor with a proposal for seeking the deployment of their Security Services at various locations. The Operational Creditor accepted the proposal and in lieu of the same, the Operational Creditor and the Corporate Debtor entered into a Contract for Security Services dated 07.12.2022 (hereinafter "Contract") wherein it was mutually agreed between the parties that the Operational Creditor would provide Security Services at various locations which are specified in the Schedule I of the Contract. Further, in consideration of the provisions of the Security Services by the Operational Creditor in accordance with the terms and conditions of the Contract, it was agreed that the Corporate Debtor will pay to the Operational Creditor in accordance with the terms of the Schedule I of the Contract and the Operational Creditor will accordingly raise an invoice for the Security Services rendered each month for the Corporate Debtor as per Clause 35 of the Contract.
- c) Pursuant to Contract for Security Services, the Operational Creditor provided Security Services to Corporate Debtor at its locations at Kolkata, Raipur, Ranchi, Patna, Bhubaneswar, Bilaspur, Delhi, Gurugram, Jaipur, Punjab, Agra, Lucknow, Saharanpur, Azamgarh and Rudrapur. It was also decided that Operational Creditor will raise an invoice for the Security Services rendered each month and the same was required to be paid by the Corporate Debtor in accordance with the prescribed the Payment Terms and as per the said Payment Terms, the Corporate Debtor was under a due obligation to clear the invoices raised by the Operational Creditor within a period of 30 (Thirty) working days after the date of receipt of the Invoices. Copy of the Contract for Security Services dated 07.12.2022 is annexed as **Annexure A-1**. Further, in

accordance with terms of Contract for Security Service dated 07.12.2024 following invoices (**Annexure A-2**) were raised against the Corporate Debtor:

S. No.	Invoice Number.	Invoice date	Invoice Amount	Due Date
1.	DI05/000029RAI23	31.05.2023	Rs.62,616	30.06.2023
2.	DI05/000100LUD23	31.05.2023	Rs.74,630	30.06.2023
3.	DI05/000831GGN23	31.05.2023	Rs.2,06,283	30.06.2023
4.	DI06/000039BHL23	30.06.2023	Rs.62,242	30.06.2023
5.	PI06/000006JAM23	30.06.2023	Rs.3,951	30.06.2023
6.	DI07/000011DRO23	10.07.2023	Rs.1,25,666	10.08.2023
7.	DI09/000023RAI23	30.09.2023	Rs.64,171	31.10.2023
8.	DI09/000044BHL23	30.09.2023	Rs.62,132	31.10.2023
9.	DI09/000053BHR23	30.09.2023	Rs.65,556	31.10.2023
10.	DI09/000055MRT23	30.09.2023	Rs.65,514	31.10.2023
11.	DI09/000069UTK23	30.09.2023	Rs.63,958	31.10.2023
12.	DI09/000082JAM23	30.09.2023	Rs.59,125	31.10.2023
13.	DI09/000085BHL23	30.09.2023	Rs.62,242	31.10.2023
14.	DI09/000096JAR23	30.09.2023	Rs.51,505	31.10.2023
15.	DI09/000121LUD23	30.09.2023	Rs.77,441	31.10.2023
16.	DI09/000144LKW23	30.09.2023	Rs.98,269	31.10.2023
17.	DI09/000145LKW23	30.09.2023	Rs.98,129	31.10.2023
18.	DI09/000312KOL23	30.09.2023	Rs.93,490	31.10.2023
19.	DI10/000032DRO23	10.10.2023	Rs.1,06,290	10.11.2023
20.	DI10/000033DRO23	10.10.2023	Rs.3,18,869	10.11.2023
21.	DI10/000034DRO23	10.10.2023	Rs.3,18,869	10.11.2023
22.	DI10/000035DRO23	10.10.2023	Rs.2,44,351	10.11.2023
23.	PI10/000001UTK23	26.10.2023	Rs.6,551	26.11.2023
24.	DI10/000020MRT23	31.10.2023	Rs.66,687	30.11.2023
25.	DI10/000023RAI23	31.10.2023	Rs.64,171	30.11.2023
26.	DI10/000050BHL23	31.10.2023	Rs.65,449	30.11.2023
27.	DI10/000050UTK23	31.10.2023	Rs.63,956	30.11.2023
28.	DI10/000066BHR23	31.10.2023	Rs.65,556	30.11.2023
29.	DI10/000079JAM23	31.10.2023	Rs.59,125	30.11.2023
30.	DI10/000109JAR23	31.10.2023	Rs.51,505	30.11.2023
31.	DI10/000110BHL23	31.10.2023	Rs.62,132	30.11.2023
32.	DI10/000112LKW23	31.10.2023	Rs.98,266	30.11.2023
33.	DI10/000113LKW23	31.10.2023	Rs.98,134	30.11.2023
34.	DI10/000110BHL23	31.10.2023	Rs.62,132	30.11.2023
35.	DI10/000208BBR23	31.10.2023	Rs.64,039	30.11.2023
36.	DI10/000336KOL23	31.10.2023	Rs.1,26,731	30.11.2023
37.	DI11/000046DRO23	9.11.2023	Rs.1,06,290	9.12.2023
38.	DI11/000047DRO23	9.11.2023	Rs.3,18,869	9.12.2023
39.	DI11/000048DRO23	9.11.2023	Rs.3,18,869	9.12.2023
40.	DI11/000045DRO23	10.11.2023	Rs.8,68,276	9.12.2023
41.	DI11/000007MRT23	30.11.2023	Rs.66,687	31.12.2023
42.	DI11/000029BHR23	30.11.2023	Rs. 65,556	31.12.2023
43.	DI11/000030JAM23	30.11.2023	Rs.55,242	31.12.2023
44.	DI11/000039UTK23	30.11.2023	Rs.63,958	31.12.2023
45.	DI11/000048BHL23	30.11.2023	Rs.62,132	31.12.2023
46.	DI11/000054LUD23	30.11.2023	Rs.77,441	31.12.2023
47.	DI11/000057RAI23	30.11.2023	Rs.64,171	31.12.2023

48.	DI11/000091LKW23	30.11.2023	Rs.98,269	31.12.2023
49.	DI11/000092LKW23	30.11.2023	Rs.98,129	31.12.2023
50.	DI11/000097BHL23	30.11.2023	Rs.63,338	31.12.2023
51.	DI11/000114JAR23	30.11.2023	Rs.51,505	31.12.2023
52.	DI11/000137GHA23	30.11.2023	Rs.98,270	31.12.2023
53.	DI11/000259BBR23	30.11.2023	Rs.64,039	31.12.2023
54.	DI11/000773KOL23	30.11.2023	Rs.1,14,266	31.12.2023
55.	DI12/000045DRO23	8.12.2023	Rs.198,971	8.01.2024
56.	DI12/000046DRO23	8.12.2023	Rs.66,324	8.01.2024
57.	DI12/000047DRO23	8.12.2023	Rs.318,869	8.01.2024
58.	DI12/000048DRO23	28.12.2023	Rs.870,300	8.01.2024
59.	DI12/000029BHL23	28.12.2023	Rs.65,449	28.01.2024
60.	DI12/000055JAR23	29.12.2023	Rs.51,505	29.01.2024
61.	DI12/000135GHA23	29.12.2023	Rs.98,270	29.01.2024
62.	PI12/000001GHA23	29.12.2023	Rs.5,278	29.01.2024
63.	DI12/000037BHL23	31.12.2023	Rs.62,132	31.01.2024
64.	DI12/000047BBR23	31.12.2023	Rs.2,270	31.01.2024
65.	DI12/000107LKW23	31.12.2023	Rs.6,743	31.01.2024
66.	DI12/000108LKW23	31.12.2023	Rs.7,020	31.01.2024
67.	DI12/000291KOL23	31.12.2023	Rs.96,606	31.01.2024
68.	DI12/000626DRO23	31.12.2023	Rs.3,18,869	31.01.2024
69.	DI12/000627DRO23	31.12.2023	Rs.8,70,300	31.01.2024
70.	DI12/000939DRO23	31.12.2023	Rs.6,876	31.01.2024
71.	DI12/000940DRO23	31.12.2023	Rs.2,292	31.01.2024
72.	PI12/000052DRO23	31.12.2023	Rs.34,516	31.01.2024
73.	PI12/000053DRO23	31.12.2023	Rs.12,702	31.01.2024
74.	PI12/000058GGN23	31.12.2023	Rs.41,976	31.01.2024
75.	TS12/000001LUD23	31.12.2023	Rs.7,243	31.01.2024
76.	DI01/000080BHL24	31.01.2024	Rs.6,121	31.01.2024
77.	DI01/000128JAR24	31.01.2024	Rs.39,044	31.01.2024
78.	DI01/000347GHA24	31.01.2024	Rs.6,570	31.01.2024
79.	DI01/000935BLR24	31.01.2024	Rs.1,09,354	31.01.2024
80.	DI02/000032DRO24	12.02.2024	Rs.3,16,774	12.03.2024
81.	DI02/000122JAR24	29.02.2024	Rs.26,641	30.03.2024
82.	DI02/000811DRO24	29.02.2024	Rs.1,66,234	30.03.2024
83.	DI02/000893BLR24	29.02.2024	Rs.1,02,299	30.03.2024
84.	DI03/000343BLR24	29.03.2024	Rs.1,09,354	30.03.2024
85.	DI04/000779BLR24	30.04.2024	Rs.28,220	30.05.2024

- d) The Operational Creditor has forwarded appropriate invoices as per Clause 35 of the Contract for the Security Services provided to the Corporate Debtor and has continuously reminded the Corporate Debtor via various emails to clear the outstanding payment against security services provided by Operational Creditor. The Copy of various email communications between Operational Creditor and the Corporate Debtor for the payment of the outstanding dues is annexed as **Annexure A-3**. However, despite several reminder emails and providing services as per contract, the

Corporate Debtor failed to make the requisite payments of the invoices as per the terms of the Contract which has resulted in Non- Payment of salary to the Security Personnel and has caused grave loss to the Security- Personnel associated with the Operational Creditor. It is further submitted that the Corporate Debtor has never raised any objections to the service provided or against the outstanding invoices amounting to Rs.1,04,03,778 raised by the Operational Creditor.

- e) The Corporate Debtor vide email dated 06.12.2023 and 03.06.2024 has acknowledged its debt owed to the Operational Creditor wherein the Corporate Debtor confirmed to pay the outstanding debt. The Copy of the aforesaid email communication is annexed as **Annexure A4** to the Petition.
- f) Despite repeated reminders through telephone and email correspondence, the Corporate Debtor failed to clear the outstanding dues.
- g) Thereafter, due to non-release of the payments on behalf of the Corporate Debtor, the Operational Creditor was left with no other alternative but to withhold the Security Services at various locations of the Corporate Debtor and the same was duly communicated to the Corporate Debtor via numerous email communications dated 25.10.2023, 01.12.2023, 15.02.2024 and 24.02.2024 respectively. The copies of email communications are annexed as **Annexure A-5**.
- h) On 28.06.2024, the Operational Creditor issued a Demand Notice in Form-3 under Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for an outstanding amount of Rs.1,20,33,959 which includes the principal amount of Rs.1,04,03,778 along with the interest amount of Rs.16,30,181 and calling upon the

Corporate Debtor to clear outstanding dues. It is further submitted that the Corporate Debtor had failed to respond to the Demand Notice or make payments of the outstanding dues owed to the Operational Creditor. A copy of the Demand Notice dated 28.06.2024 and postal acknowledgment is annexed as **Annexure-A-6 and A-7**.

- i) Despite multiple acknowledgments and assurances, the Corporate Debtor has failed to clear its dues. Further, the Petitioner has demonstrated the debt due is above the threshold limit of Rs. 1 Crore and is within the purview of the Code since there is a demand duly raised and there is a debt due and the Corporate Debtor is in default for not clearing its balance refundable to the Operational Creditor, therefore the Corporate Debtor is liable under Section 9 of the Insolvency and Bankruptcy Code, 2016.

5. The Respondent filed its reply on 07.01.2025 and contended as under:

- a) That the Respondent/Corporate Debtor is engaged in trading of electronic goods, and also renders logistics services which requires considerable sum of Working Capital for which the Corporate Debtor has raised more than Rs.450 Cr in external capital from venture capital investors in last 6 years journey. It is further submitted that Corporate Debtor is a loss-making entity since its incorporation and has incurred a loss of Rs.62 Crore as stated in the Audited Financial Statement of the Corporate Debtor for year ending March 31, 2023, Copy whereof is **Annexure B1**.
- b) That Respondent/ Corporate Debtor has been facing severe financial distress, resulting in a significant loss particularly due to nature of the business which requires continuous raising of Capital. The Corporate Debtor was in the process of raising

additional capital by end of 2023, but discussions did not materialise given bad market conditions which significantly affected its liquidity position and therefore the Corporate Debtor was left with negligible cash by end of 2023 to run its operations. By November 2023, the Corporate Debtor started defaulting on its debt repayments and other vendor outstandings in the market. It is further submitted that the Corporate Debtor's business model has not delivered the expected results, and despite attracting external equity investments, the Corporate Debtor has struggled to pivot or adapt to evolving market dynamics and the lack of a sustainable business model that could generate consistent revenue streams has hindered the Corporate Debtor's ability to break even. Furthermore, market volatility, economic downturns and shifts in consumer behaviour have compounded these challenges, making it difficult to turn around the business and meet creditor obligations.

- c) The Corporate Debtor submitted that the inability to make payments arises from financial constraints and without the ability to raise fresh capital, the Corporate Debtor has no means to meet its creditor obligations, further confirming that it will be unable to pay its debts. It is further submitted that the Corporate Debtor had tried to clear the dues of the Petitioner but the general economic and financial conditions of the market hampered the business of the Company and hence the Corporate Debtor could not make the payments towards its creditors, including the Petitioner in a timely manner.
- d) Thus, the Respondent submitted that they are presently not in a position to clear any dues and hence acknowledge and admit that there is an Operational Debt due to the Petitioner to the extent of Rs.1,17,39,803, and the Respondent is in default. It is also stated that this default has arisen as the Corporate Debtor

has suffered huge financial losses and was unable to raise capital from the market for the reasons mentioned in the above paras.

6. We have heard the Learned Counsels for parties and carefully perused the record.
7. The Petitioner had initially mentioned the date of default as 31.05.2023 which was rectified to be between 30th June, 2024 to 30th May, 2024 i.e. upon expiry of 30 days from each invoice. The petitioner has cited the judgement of Hon'ble Principal Bench of NCLT in ***A2 Interior Products Private Limited vs. Ahluwalia Contracts India Limited, 2021 SCC Online NCLT 438*** in support of the proposition that separate claims can be part of the single application.
8. The Petitioner had provided Security Services to the Corporate Debtor and invoices amounting to Rs.1,20,33,959/-, were raised by the petitioner and the Demand Notice issued in Form 3 dated 28.06.2024 was duly served on the Corporate Debtor.
9. It is not in dispute that the Operational Creditor had provided Security Services to the Corporate Debtor and a sum of INR Rs.1,20,33,959, was outstanding to the petitioner against the aforesaid security services provided to the Corporate Debtor. Moreover, the Corporate Debtor in its reply to petition has itself admitted, acknowledged and accepted the liability due to the Petitioner.
10. Although the petitioner has not filed the record of default from NeSL yet in view of the judgment in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, (2017) ibclaw.in 01 SC***, if there is no record of dispute in the information utility, nor any documents submitted to show any dispute with regard to the claim made by the creditor, it cannot be presumed that there is a pre-existing dispute on the quantum or the issue of payment due.

11. The Corporate Debtor has admitted that there is a debt and obligation to pay. The reasons for inability to pay including severe financial distress and lack of fundraising from investors which cannot be a valid ground for non-payment of debt and obligation to pay.
12. Accordingly, We are of the considered opinion that the petition filed under section 9 of the IBC, 2016 by the Operational Creditor to initiate CIRP against the Corporate Debtor fulfils the requisite essentials. Therefore, the instant Company Petition bearing **CP (IB) No. 192/BB/2024 is admitted** against the Corporate Debtor **STERENE INDIA PRIVATE LIMITED** and moratorium is declared in terms of Section 14 of the Code and following prohibitions are imposed to be followed :-
 - a. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b. Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c. Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d. The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Corporate Debtor.
13. It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during moratorium period.

14. The provisions of Section 14(3) shall however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.
15. The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under sub-section (1) of Section 31 or passed an order for liquidation of Corporate Debtor under Section 33 as the case may be;
16. In Part-III of Form No.5, no name of the Interim Resolution Professional was proposed by the Operational Creditor. However, this Tribunal vide order dated 24.03.2025 permitted the Operational Creditor to propose the name of an Interim Resolution Professional.
17. The Operational Creditor has proposed the name of M/s. Beleyur Resolutions Private Limited as Interim Resolution Professional (IRP) of the Corporate Debtor and Form No.2 dated 28.03.2025 has been filed vide Diary No. 1720 dated 01.04.2025. Based on this the bench appoints **M/s. Beleyur Resolutions Private Limited (IPE) Represented by an Insolvency Professional & its Director Mr. Ravindra Beleyur** bearing Registration No.-**IBBI/IPE-0163/IPA-1/2023-24/50073** having registered address at Shreevathsa, No. 428, 19B Cross Road Jayanagar III Block Bengaluru South, Karnataka 560011, e-mail: ravi@beleyur.com, and Contact No.-9448146963 as Interim Resolution Professional to carry the functions as mentioned under the IBC, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard. The IRP is directed to take the steps as mandated under the IBC, specially under Sections 15, 17, 18, 20 and 21 of IBC, 2016.
18. The Operational Creditor shall deposit a sum of Rs 2,00,000/- (Rupees Two Lakhs Only) with the IRP to meet the expenses arising

out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors.

19. The Interim Resolution Professional shall after collation of all the claims received against **STERNE INDIA PRIVATE LIMITED** and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Tribunal on or before the expiry of thirty days from the date of his appointment and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular monthly progress reports to this Authority.
20. A copy of the order shall be communicated to both the parties. The learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send the copy of this order to the Interim Resolution Professional at his email address forthwith.

-Sd/-

(RADHAKRISHNA SREEPADA)
MEMBER (TECHNICAL)

-Sd/-

(SUNIL KUMAR AGGARWAL)
MEMBER (JUDICIAL)