

# **TALWALKARS HEALTHCLUBS LIMITED**

Regd Off. : 801, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400 026  
CIN: U93090MH2016PLC280127 Website: www.talwalkars.in

Date: 28 June 2022

To,  
Bombay Stock Exchange

**Subject: Completion of Corporate Insolvency Resolution Process (CIRP) of Talwalkars Healthclubs Limited (“Corporate Debtor” or “THL”) and initiation of liquidation process of THL**

Dear Sir(s),

As you are aware that pursuant to an application filed by Axis Bank Limited before the Mumbai bench of the National Company Law Tribunal (“NCLT”), the NCLT has initiated the Corporate Insolvency Resolution Process (CIRP) of Talwalkars Healthclubs Limited (“Corporate Debtor” or “THL”) vide its order dated 09 March 2021 (“Admission Order”) as per the provisions of the Insolvency and Bankruptcy Code, 2016 and the regulations framed thereunder (collectively, “IBC” or “Code”). The NCLT vide the Admission Order appointed the undersigned, Mr. Saurabh Kumar Tikmani as the Interim Resolution Professional (“IRP”) of the Corporate Debtor. Subsequently, the undersigned was confirmed as Resolution Professional (“RP”) by the members of Committee of Creditors (“CoC”) of the Corporate Debtor vide CoC meeting dated April 8, 2021.

This is to inform you that pursuant to an application filed by the undersigned, the NCLT vide its order dated 28 April 2022 initiated liquidation proceedings against the Corporate Debtor and appointed Mr. Gajesh Jain (IBBI Regn. No. IBBI/IPA-001/IP-P-01697/2019-2020/12588) as the liquidator of the Corporate Debtor. The said order was received by the RP on 27 June 2022 which is attached herewith for your reference. Please note that all future correspondences should be addressed only to the liquidator on [liquidation.thl@gmail.com](mailto:liquidation.thl@gmail.com) with a copy to [gajeshjain@gmail.com](mailto:gajeshjain@gmail.com) for update on liquidation proceedings.

You may file your claims if any with the liquidator as on liquidation commencement date. The link for the claim form is:

[https://www.ibbi.gov.in/uploads/downloads/Form\\_C\\_LP.pdf](https://www.ibbi.gov.in/uploads/downloads/Form_C_LP.pdf)

The undersigned would like to thank you for your continuous support during the CIRP. Request you to provide similar assistance to the liquidator in the process

Yours faithfully,

**Saurabh Kumar Tikmani**

IP Registration Number: IBBI/IPA-001/IP-P00559/2017-18/10989

Address: KPMG Restructuring Services LLP  
Lodha Excelus, Apollo Mills Compound,  
NM Joshi Marg, Mahalaxmi, Mumbai 400 011



IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

COURT – IV

14.

IA-268/2022 in C.P.(IB)/923(MB)/2020

CORAM:

SHRI RAJESH SHARMA  
MEMBER (Technical)

SHRI KISHORE VEMULAPALLI  
MEMBER (Judicial)

ORDER SHEET OF THE HEARING HELD ON 28.04.2022

NAME OF THE PARTIES:

Axis Bank Ltd.

v/s.

Talwalkars Healthclubs Limited

SECTION: 33(2) OF INSOLVENCY AND BANKRUPTCY CODE, 2016 r/w Rule 11 of the  
NCLT Rules, 2016.

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**ORDER**

**The Court is convened through Video Conference.**

1. Mr. Yashish Chandra a/w Ramakant Rai and Mr. Ravin Kapur, Ld. Counsel for the Applicant/Resolution Professional present.
2. This is an Interlocutory Application filed by Mr. Saurabh Kumar Tikmani, Resolution Professional, seeking liquidation of **Talwalkars Healthclubs Limited** under Section 33(2) of Insolvency and Bankruptcy Code, 2016 (hereinafter called as “the Code”).

3. **The brief facts of the Application are as follows:**

- A. This Tribunal vide an order dated 09.03.2021 in Company Petition No. 923/2020 admitted the petition under Section 7 of the Code, filed by Axis Bank Limited (hereinafter referred to as the “Financial Creditor”) and Corporate Insolvency Resolution Process (CIRP) was initiated against Talwalkars Healthclubs Limited, (hereinafter called as the “Corporate Debtor”). Vide the said order, this Tribunal was appointed the Applicant herein as the Interim Resolution Professional (IRP) of the Corporate Debtor.
- B. The Applicant submits that, the IRP had made public announcements in leading local newspapers inviting the claims from the Creditors of the Corporate Debtor as per the Regulation 6(3) of the Insolvency and Bankruptcy Board of India (Insolvency Regulation Process for Corporate Persons) Regulations, 2016. He later constituted the Committee of Creditors (CoC) of the Corporate Debtor. Prior to the commencement of the CIRP, on 21.12.2017 a Scheme of Demerger was approved by the NCLT whereby Talwalkars Better Value Fitness Limited’s (TBVFL) gym business was demerged into the Corporate Debtor.
- C. The Applicant further submits that, in the first meeting of the Committee of Creditors (CoC) held on 08.04.2021, the IRP was appointed as RP of the Corporate Debtor and a Resolution was passed to that effect.

- D. The RP further submits that, due to non-cooperation of the erstwhile management, he filed an Application vide IA-1046/2021 seeking effective cooperation of the suspended Board of Directors, which is pending for adjudication before this Tribunal. Since no information on the details of assets lying at various locations was provided, the RP appointed an independent agency viz. T.R. Chadha & Co. LLP ("TRC" in short), for ascertaining the assets present at each location.
- E. The RP further submits that, there were no employees in the Company and obtained list of ex-employees from erstwhile management and approached them, offered to appoint one of them for book keeping and accounting services, however, the offer was declined by the ex-employee. Therefore, he appointed Pipara & Co. LLP ("Pipara" in short) for the same job. RP also reached out to Statutory Auditor for necessary details, however, no information was received from the auditor.
- F. The RP further submits that, the operation of Corporate Debtor and TBVFL were interlinked, considering which the CoC of Corporate Debtor in its second meeting held on 22.04.2021 resolved to take appropriate measures for consolidation/transfer of matters for expedient and expedited resolution of the Corporate Debtor and TBVFL. Similarly, directions were provided by the CoC of TBVFL in its third meeting. Accordingly, a transfer petition was moved by the RP and the Principal Bench of the NCLT, New Delhi vide its order dated 01.11.2021 allowed the transfer of the Company Petition bearing number CP(IB)-923/2020 from Court-II to Court-IV for effective adjudication.

- G. The RP further submits that, he made a publication in Form G on 30.04.2021 inviting Expression of Interest (EoI) from prospective Resolution Applicants to participate in the resolution process of the Corporate Debtor. Last date for the submissions was 11.07.2021, however, thrice it extended and the final date was 15.11.2021.
- H. The RP further submits that, in response to the publication in Form G, he has received nine (9) EoI from prospective Resolution Applicants. Pursuant to receipt of EoI, the RP shared the Request for Resolution Plan (“RFRP”) and Information Memorandum (based on the information available with the RP) with the Prospective Resolution Applicants (“PRA”) as per the provisions of the Code and the CIRP Regulations. A brief snapshot of the entities which had submitted the EoI is reproduced below:

Sr. No.	Name of PRA	Investor Type
1.	Curefit Services Private Limited	Strategic
2.	Sherisha Technologies Private Limited	Strategic
3.	Derit Infrastructure Private Limited and Strategic Jitendra Vir Singh (Consortium)	Strategic
4.	Aadi Propbuild Private Limited & Strategic Engineering Projects India Limited	Strategic
5.	Mr. Kiran Karnawat	Strategic
6.	Eight Capital Distressed Investment Fund I	Financial
7.	J.C. Flowers ARC	Financial
8.	RKG Fund -1	Financial
9.	Edelweiss Alternative Asset Advisory Limited	Financial

The RP facilitated the data requirements of the PRAs and provided all the information to the PRAs through the virtual data room.

- I. The Applicant further submits that in view of the second COVID wave, could not conduct CIRP of the Corporate Debtor within the prescribed timelines. Accordingly, RP filed IA seeking extension and exclusion of time after the recommendation of the CoC in its sixth meeting held on 30.07.2021. This Bench has allowed the IA.
- J. In the 10<sup>th</sup> CoC meeting held on 22.11.2021, the RP apprised the members that a total of nine EoIs were received from PRA. However, no Resolution Plan was received from the PRAs till the last date of submission i.e. 15.11.2021.
- K. The RP further submits that, during the CIRP, RP appointed Mazars Business Advisors Private Limited as transaction auditors for determination of avoidance transactions. On the basis of the report of Mazars, RP filed Applications with the NCLT.
- L. The RP further submits that, since no resolution plan was received, the CoC in its 11<sup>th</sup> meeting held on 22.12.2021, decided to initiate liquidation proceedings and a resolution to liquidate the Corporate Debtor was approved with 90.27% votes. The CoC also fixed the fee for the Liquidator. The relevant resolutions are given below:

*" RESOLVED THAT pursuant to Section 33(2) of the Insolvency and Bankruptcy Code, 2016, the Committee of Creditors of Talwalkars Healthclubs Limited hereby*

*resolves to liquidate the corporate debtor and directs the resolution professional to intimate the Adjudicating Authority of the decision of the Committee of Creditors.*

*RESOLVED FURTHER THAT pursuant to Regulation 39B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Committee of Creditors of Talwalkars Healthclubs Limited hereby approves the plan discussed in Eleventh meeting of the committee of creditors of Talwalkars Healthclubs Limited providing for the contribution for meeting liquidation costs of the corporate debtor.*

*RESOLVED FURTHER THAT pursuant to Regulation 39D of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Committee of Creditors of Talwalkars Healthclubs Limited hereby fixes the fee payable (excluding taxes and out of pocket expenses) to the liquidator as INR 2,50,000.*

*RESOLVED FURTHER THAT the resolution professional is further authorized to finalize and execute necessary documents and take all such actions, as may be required, from time to time, to give effect to this resolution”.*

- M. The Applicant further submits, that the CoC in its 11<sup>th</sup> meeting also deliberated and decided that all assets and liabilities of the Corporate Debtor to be categorized as one group, considering there is a single line of business carried on by the Corporate Debtor. The CoC therefore, decided to table an agenda for voting for approval for liquidation of Corporate Debtor under Sale as a going concern. The resolution was approved by way of 77.66% votes and the same is set out below

*”RESOLVED THAT pursuant to Regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Committee of Creditors of Talwalkars Healthclubs Limited recommends that the liquidator may explore sale of the corporate debtor as a going concern or sale of the business of the*

*corporate debtor as a going concern as per Regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.*

*RESOLVED FURTHER THAT pursuant to Sub-Regulation (2) of Regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Committee of Creditors of Talwalkars Healthclubs Limited has identified and grouped the assets and liabilities of the corporate debtor as mentioned in the minutes of Eleventh CoC Meeting, which according to the commercial considerations of the Committee of Creditors of Talwalkars Healthclubs Limited ought to be sold as a going concern as per Regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016."*

- N. The estimated CIRP costs (estimated till the passing of the order for initiation of liquidation) and liquidation costs is approximately Rs.11.48 Crore and Rs. 65.40 Lakh respectively. Additionally, the value of liquid assets available with the Corporate Debtor is about Rs.2.71 Crore.
- O. The Applicant submits that the Corporate Debtor has no on-going commercial operations and has no active employees as per information made available. Accordingly, no prejudice is caused in the event an order for commencement of liquidation of the Corporate Debtor is passed by this Hon'ble Tribunal.
- P. The CoC decided to appoint Mr. Gajesh Jain, having insolvency professional number IBBI/IPA-001/IP-P-01697/2019-2020/12588. The Applicant requests that Mr. Gajesh Jain may be appointed as the

Liquidator in the liquidation process of the Corporate Debtor. In this regard, the CoC has passed the following resolution:

*"RESOLVED FURTHER THAT the Committee of Creditors of Talwalkars Healthclubs Limited hereby resolves to suggest Mr. Gajesh Jain, having insolvency professional number IBBI/1PA00/IP-P-01697/2019-2020/12588, to be considered for the appointed as the Liquidator under Section 34 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 3 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.*

*RESOLVED FURTHER THAT the Committee of Creditors of Talwalkars Healthclubs Limited hereby directs the resolution professional to inform the Adjudicating Authority of the suggestion of the Committee of Creditors to consider Mr. Gajesh Jain, having insolvency professional number IBBI/IPA-001/IP-P 01697/2019-2020/12588, for the appointed as the Liquidator under Section 34 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 3 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016."*

- Q. Mr. Gajesh Jain has provided his written consent to as as the Liquidator in the liquidation process of the Corporate Debtor.
- R. Considering the facts and circumstances, the Bench is of the considered view that the Corporate Debtor be liquidated. Accordingly, this Bench orders that -
- a. IA No. 268/2022 filed by the Applicant for the liquidation of Talwalkars Healthclubs Limited is allowed.
  - b. Mr. Gajesh Jain, Resolution Professional having Registration No.: IBBI/IPA-001/IP-P01697/2019-2020/12588 is hereby appointed as

the Liquidator to conduct liquidation process of Talwalkars Healthclubs Limited as provided under Section 34(1) of the Code.

- c. The Liquidator would be entitled to the fees as provided in Regulation 4(2)(b) of the IBBI (Liquidation Process Regulations), 2016 to conduct the liquidation proceedings.
- d. 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.
- e. The Liquidator appointed under section 34(1) of the Code, will have 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.
- f. 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.
- g. 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.
- h. That on having liquidation process initiated, subject to Section 52 of the Code, no suit or other legal proceedings 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.

- i. 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. With the above directions, the IA-268/2022 in CP(IB)-923(MB)/2020 filed u/s 33(2) by the Applicant is hereby **allowed** and disposed of.

Sd/-  
**KISHORE VEMULAPALLI**  
**Member (Judicial)**

Sd/-  
**RAJESH SHARMA**  
**Member (Technical)**

/svr/ 28.04.2022