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IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH III, DELHI

IA-3602/2020 in IB/310/ND/2019  
filed under Section 33(1) of the  
Insolvency and Bankruptcy Code, 2016

In the matter of Lifestyle Fitness Private Limited

Mr. Kamal Agarwal,  
Resolution Professional

.....Applicant

Order delivered on 21<sup>st</sup> September, 2020

CORAM:

SHRI CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)  
SHRI NARENDRA KUMAR BHOLA, MEMBER (TECHNICAL)

For Resolution Professional : Mr. Kamal Agarwal (Advocate)

**ORDER**

CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)

1. This relates to IA-3602/ND/2020 filed in IB/310/ND/2019 by Mr. Kamal Agarwal (hereinafter referred to as 'Resolution Professional') under Section 33(1) of the Insolvency and Bankruptcy Code, 2016. The prayer made in the Application is to pass an order of liquidation



pertaining the Corporate Debtor (CD) viz., M/s. Lifestyle Fitness Private Limited.

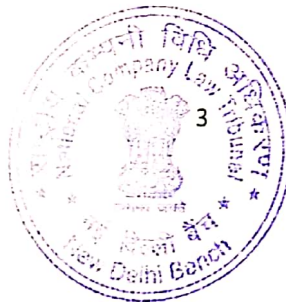
2. Originally IB/310/ND/2019 filed under Section 9 of the I&B Code, 2016 against the Corporate Debtor was admitted by this Authority vide Order dated 14.06.2019, the CIR Process was initiated against the CD and the viz., Mr. Shyam Arora was appointed as Interim Resolution Professional (IRP).

3. Pursuant to the appointment, the IRP made public announcement in Form A on 02.07.2019. In third COC held on 26.08.2019, the sole financial creditor decided not to appoint IRP as the RP and he shall be replaced by some other Resolution Professional. Therefore, the name of Mr. Kamal Agarwal was proposed. His appointment was confirmed by Tribunal on 5.11.2019 and copy of order was received by Resolution Professional (RP) on 11.11.2019.

4. In the sixth COC meeting held on 18.01.2020 it was brought to the kind notice of members that there was total



non co-operation from the existing statutory auditors of the Corporate Debtor (CD) and they failed to provide the audited balance sheet for the financial year 2018-19 and provisional balance sheet up to 14.06.2019 and as a result COC decided to remove them on account of non performance with 100% voting rights. This Tribunal vide order dated 12.3.2020 removed the existing statutory auditors. Thereafter, new statutory auditors were appointed to finalize the pending balance sheet as on 31.3.2019 and provisional balance sheet up to the commencement of CIRP. However, suspended board of directors failed to share entire information to the statutory auditors and thereafter the situation began to deteriorate owing to COVID 19 and consequently lockdown was imposed from 25.3.2020. Moreover, the only business of CD is running franchisee of two Gold Gyms, which is unfortunately one of those business activities that is worst affected due to pandemic.

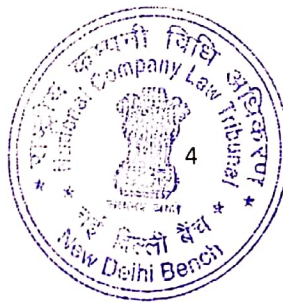


5. RP had filed an application IA-2225/2020 seeking further extension of CIRP. The Tribunal vide order dated 24.08.2020 observed that period of 270 days stands expired and there is no merit in the application for seeking the extension and in view of the same the application was dismissed and Tribunal further granted liberty to file the liquidation application along with details of the assets of CD.

6. The RP is eligible to be appointed as the Liquidator, he has consented to act as the Liquidator of the CD viz., M/s Lifestyle Fitness Private Limited.

7. Since no Resolution Plan is received by this Authority under Sub-section (6) of Section 30 of the I&B Code, 2016, before the expiry of the Corporate Insolvency Resolution Process period, the Corporate Debtor has to be ordered for liquidation.

**ORDER**



8. In view of the facts and circumstances recorded by Resolution Professional in IA/3602/2020 filed in IB/310/ND/2019 and in exercise of powers conferred under Sub-Clauses (i) (ii) and (iii) of Clause (a) of Sub-Section (1) of Section 33 of the I&B Code, 2016, this Authority proceeds to pass Liquidation Order as follows: -

- I. This Authority hereby orders for liquidation of the Corporate Debtor (CD) viz., M/s. Lifestyle Fitness Private Limited which shall be conducted in the manner as laid down in Chapter III of part II of the I&B Code, 2016;
- II. This Authority hereby appoints Mr. Kamal Agarwal as Company Liquidator who shall issue a public announcement stating therein that the CD is in liquidation;
- III. The moratorium declared under Section 14 of the I&B Code, 2016, shall cease to have effect from the date of the order of liquidation;



- IV. Subject to Section 52 of the I&B Code, 2016, no suit or other legal proceedings shall be instituted by/or against the CD. However, a suit and other legal proceedings may be instituted by the Liquidator, on behalf of the CD, with the prior approval of this Authority.
- V. This Authority makes it clear that Para (IV) hereinabove shall not apply to legal proceedings in relation to such transactions as notified by the Central Government in consultation with any financial sector regulator.
- VI. This Order shall be deemed to be a notice of discharge to the officers, employees and workmen of the CD, except when the business of the CD is continued during the liquidation process by the Liquidator.



VII. All the powers of the Board of Directors, Key Managerial Personnel and the Partners of the CD, as the case may be, shall cease to have effect and shall be vested with the Company Liquidator viz., Mr. Kamal Agarwal. In addition to this, the Company Liquidator shall exercise the powers and duties as enumerated in Sections 35 to 50, 52 to 54 of the I&B Code, 2016, r/w Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

VIII. The personnel of the CD shall extend all assistance and co-operation to the Liquidator as may be required by him in managing the affairs of the CD.

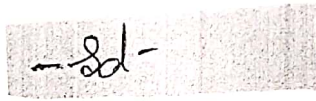
IX. The Liquidator shall be entitled to charge such fees for the conduct of the liquidation proceedings and in such a proportion to the value of the liquidation estate assets as specified



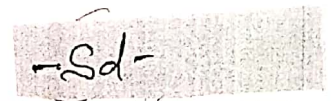
under Regulation 4 (2) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

X. The Registry is directed to communicate this order with immediate effect to the concerned Registrar of Companies, RD, OL, Registered Office of the CD and Company Liquidator viz. Mr. Kamal Agarwal, for information and compliance.

9. In terms of the above, IA/3602/2020 filed in IB/310/ND/2019 by the Resolution Professional under Section 33(1) of the I&B Code, 2016, for initiation of the Liquidation Proceedings against the Corporate Debtor viz., M/s. Lifestyle Fitness Private Limited is **allowed**.



(Narendra Kumar Bhola)  
MEMBER (TECHNICAL)



(CH. MOHD SHARIEF TARIQ)  
MEMBER (JUDICIAL)

U.D.Mehta/D

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Deputy Registrar  
National Company Law Tribunal  
CGO Complex, New Delhi-110003