

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH-IV**

**C.P. (IB)No. 1056/NCLT/MB/C-IV/2020**

Under Section 7 of the I&B Code, 2016

In the matter of:

**Axis Bank Limited**

...Financial Creditor/ Applicant

V/s

**Talwalkars Better Value Fitness Limited**

[CIN: L92411MH2003PLC140134]

...Corporate Debtor / Respondent

**Order Dated:11.01.2021**

*Coram:*

Mr. Rajesh Sharma

Mrs. Suchitra Kanuparthi

Hon'ble Member (Technical)

Hon'ble Member (Judicial)

*Appearances (via videoconferencing):*

For the Petitioner(s) : Mr. Suvaankoor Das, i/b,  
Krishnamurthy & Co.,  
Advocate.

For the Respondent(s) : None

**ORDER**

***Per: Rajesh Sharma, Member (Technical)***

1. This is an application being **C.P. (IB) No. 1056/NCLT/MB/C-IV/2020** filed by **Axis Bank Limited**, the Financial Creditor/Applicant, under section 7 of Insolvency & Bankruptcy Code, 2016 (**I&B Code**) against

**Talwalkars Better Value Fitness Limited**, Corporate Debtor, for initiating Corporate Insolvency Resolution Process (**CIRP**).

2. The Application is filed by Mr. Prakash Rao U, authorised signatory of Financial Creditor vide its Board Resolution dated 23.08.2017, claiming a total default of Rs.66,80,82,791.17/- (Rupees sixty-six crore eighty lakh eighty-two thousand seven hundred ninety-one and seventeen rupees only) along with interest @09.75% p.a. and Penal Interest @2% p.a. The date of default is 29.08.2019. The date of NPA is 28.11.2019.
3. The Applicant submitted that the Applicant granted to Corporate Debtor Term Loan Facility for Rs.2,98,07,00,000/- (Rupees two hundred and ninety-eight crore and seventy lakh only) inter alia for refinancing the term loan of Rs.1,98,07,00,000/- (Rupees one hundred and ninety-eight crore and seventy lakh only) from State Bank of India and Rs.1,00,00,00,000/- (Rupees one hundred crore only) for meeting the capital expenditure and other transactional expenses, aggregating to Rs.2,98,07,00,000/- (Rupees two hundred and ninety-eight crore and seventy lakh only) vide sanction letter dated 03.10.2016 which is attached at pp. 32-52 as Annexure 'C' of the Petition.
4. The Applicant Submitted that, subsequently, out the total commitment amount of Rs.2,98,07,00,000/- (Rupees two hundred and ninety-eight crore and seventy lakh only), the Applicant modified the facility of Rs. 1,75,00,00,000/- (Rupees one hundred and seventy-five crore only) by selling down the said amount to the three Financial Creditors namely, South Indian Bank, Hero FinCorp and Indian Bank in the following manner:

- a) Rs.75,00,00,000/- (Rupees Seventy-Five Crore only) in favour of South Indian Bank Limited vide Deed of Assignment dated 23.03.2017 which is attached at pp.373-389 as Annexure 'F' of the Petition.
  - b) Rs.40,00,00,000/- (Rupees forty crore only) in favour of Hero FinCorp Limited vide Deed of Assignment dated 19.06.2017 which is attached at pp.390-409 as Annexure 'G' and a Deed of Novation dated 19.06.2017 which is attached at pp.410-416 as Annexure 'H' of the Petition.
  - c) Rs.60,00,00,000/- (Rupees sixty crore only) in favour of Indian Bank vide its Deed of Assignment dated 31.06.2017 which is at pp.417-441 as Annexure 'I' and Deed of Novation dated 31.06.2017 which is attached at pp.442-449 as Annexure 'J' of the Petition.
5. The Applicant submitted that, around 2017, a scheme of arrangement between the Corporate Debtor and the Talwalkars Healthclubs Limited (formerly known as Talwalkars Lifestyle Limited) was approved by this Tribunal vide its order dated 21.12.2017 which is attached at pp.450-456 as Annexure 'K' of the Petition. Subsequent, to the demerger Rs.63,69,00,000/- (Rupees sixty-three crore sixty-nine lakh was allotted to the Corporate Debtor vide modification letter of credit facility dated 21.09.2018 which attached at pp.457-462 as Annexure 'L' of the Petition.
6. The Applicant submitted that upon request of the Corporate Debtor, the Applicant disbursed and an aggregate amount of Rs.2,73,71,66,009/- (Rupees two hundred and seventy-three crore seventy-one lakh sixty-six thousand nine only) from 29.11.2016 to

07.07.2017 to the Corporate Debtor. The details of disbursement are attached at p 463 as Annexure 'M' of the Petition. Thereafter, the Corporate Debtor made certain repayments to the Applicant between 29.08.2018 to 31.05.2019 for an aggregate amount of Rs.89,16,600/- (Rupees eighty-nine lakh sixteen thousand six hundred only). The details of the repayment made by the Corporate Debtor is attached at p. 464 as Annexure 'N' of the Petition.

7. The Applicant submitted that the applicant had issued Loan Recall Notice dated 18.02.2020 to the Corporate Debtor demanding the total outstanding dues of Rs. 66,80,82,791.17/- (Rupees sixty-six crore eighty lakh eighty-two thousand seven hundred ninety-one and seventeen rupees only) within 07 days of the receipt of the said Recall Notice. The said Recall Notice is attached at pp. 465-468A as Annexure 'O' of the Petition.
8. The Applicant also submitted Credit Information Report (CIBIL) dated 11.02.2020 for particulars of debt of Corporate Debtor which is attached at pp. 470-526 as Annexure 'Q'. Further, the Applicant has also filed NeSI Report dated 14.05.2020 by way of Additional Affidavit.
9. The Applicant filed present application on 03.03.2020. Court Notice dated 10.11.2020 was issued to the Corporate Debtor and served by the Applicant vide its email dated 11.11.2020. The copy of the said email is attached at p 3 as Exhibit 'A' of the Affidavit dated 15.11.2020 filed by the Applicant.
10. Further, on 02.12.2020, the Bench directed to the Applicant for substituted service of Notice clearing indicating the next date of hearing through newspaper publication. The Applicant made

publication of the same on 03.12.2020 in “Business Standards” in English Newspaper and in “Navshakti” in Marathi Newspaper, displaying the notice. The copy of the said publication is attached at Exhibit ‘A’ & ‘B’ of the Affidavit dated 08.12.2020 filed by the Applicant.

11. The Corporate Debtor has remained unrepresented in spite of many opportunities given to it to appear and submit a reply in the matter.
12. We have heard the arguments of the Learned Counsel for the Financial Creditor and perused the records.
13. On perusal of the documents submitted by the Applicant, it is clear that financial debt amounting to more than ₹1,00,000/- (Rupees One Lakh Only) is due and payable by the Corporate Debtor to the Applicant. There is default by the Corporate Debtor in repayment of the loan amount. Therefore, we do not have any objection on record against the application filed for initiation of CIRP against the corporate debtor.
14. The application is complete and has been filed under the proper form. The debt amount is more than Rupees One Lakh and default of the Corporate Debtor has been established and the application deserves to be admitted.
15. The Applicant has proposed the name of Mr. Prashant Jain, a registered insolvency resolution professional having Registration Number [IBBI/IPA-001/IP-P01368/2018-2019/12131] as Interim Resolution Professional, to carry out the functions as mentioned under I&B Code and has also given his declaration that no disciplinary proceedings are pending against him

**ORDER**

This Application filed under Section 7 of I&B Code, 2016, presented by **Axis Bank Limited**, Financial Creditor/ Applicant against **Talwalkars Better Value Fitness Limited**, Corporate Debtor for initiating corporate insolvency resolution process is **admitted**. We further declare moratorium u/s 14 of I&B Code with consequential directions as mentioned below:

I. That this Bench as a result of this prohibits:

- 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 possession of the corporate debtor.

- II. That the supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
  - III. That the provisions of sub-section (1) of Section 14 of I&B Code shall not apply to
    - a. such transactions as may be notified by the Central Government in consultation with any financial sector regulator;
    - b. a surety in a contract of guarantee to a Corporate Debtor.
  - IV. That the order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 of I&B Code or passes an order for the liquidation of the corporate debtor under section 33 of I&B Code, as the case may be.
  - V. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of I&B Code.
  - VI. That this Bench appoints Mr. Prashant Jain, a registered insolvency resolution professional having Registration Number IBBI/IPA-001/IP-P01368/2018-2019/12131 as Interim Resolution Professional to carry out the functions as mentioned under I&B Code, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard.
16. The Registry is directed to immediately communicate this order to the Financial Creditor, the Corporate Debtor and the Interim

Resolution Professional even by way of email or WhatsApp.  
**Compliance report of the order by Designated Registrar is to be submitted today.**

**Sd/-**  
Rajesh Sharma  
Member (Technical)

11.01.2021

**Sd/-**  
Suchitra Kanuparthi  
Member (Judicial)





hereby appointed as Interim Resolution Professional for handling the CIRP case of Talwalkars Better Value Fitness Limited (Corporate Debtor) in place of Mr. Prashant Jain, ordered earlier.

3. It is hereby directed that the CIRP proceedings will be initiated from today after uploading of the order.

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

**Sd/-**  
**SUCHITRA KANUPARTHI**  
**Member (Judicial)**