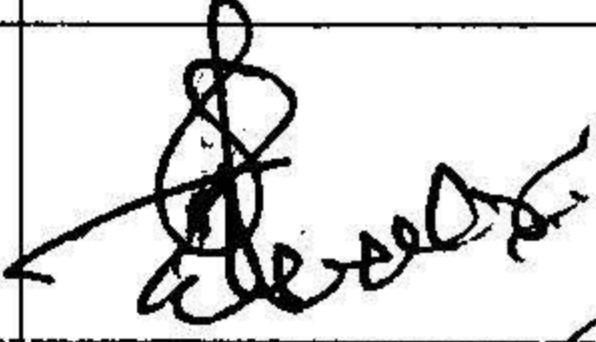
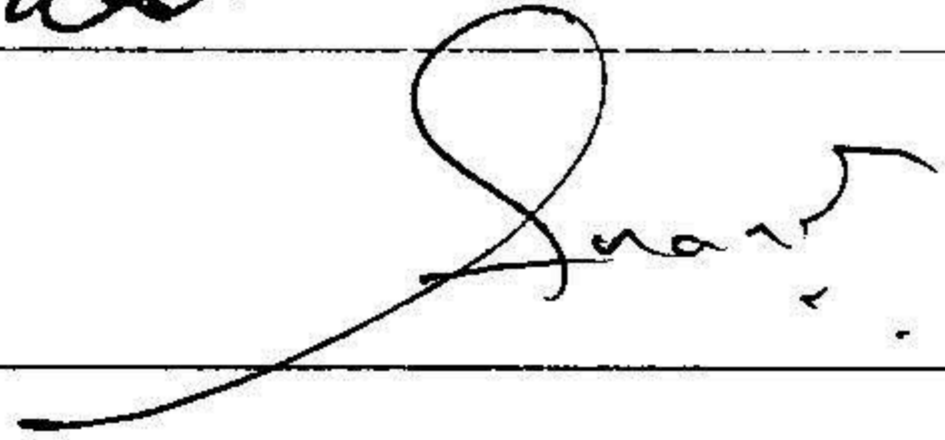
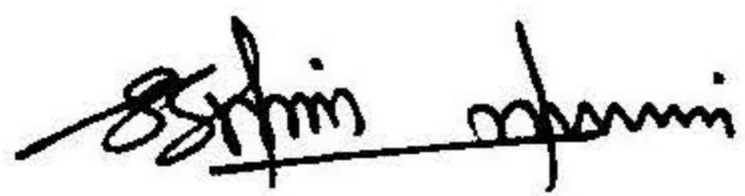
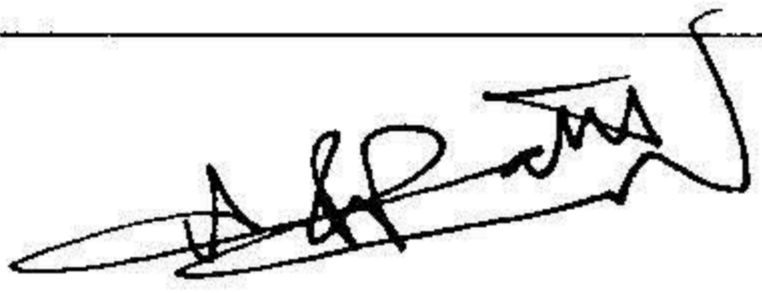
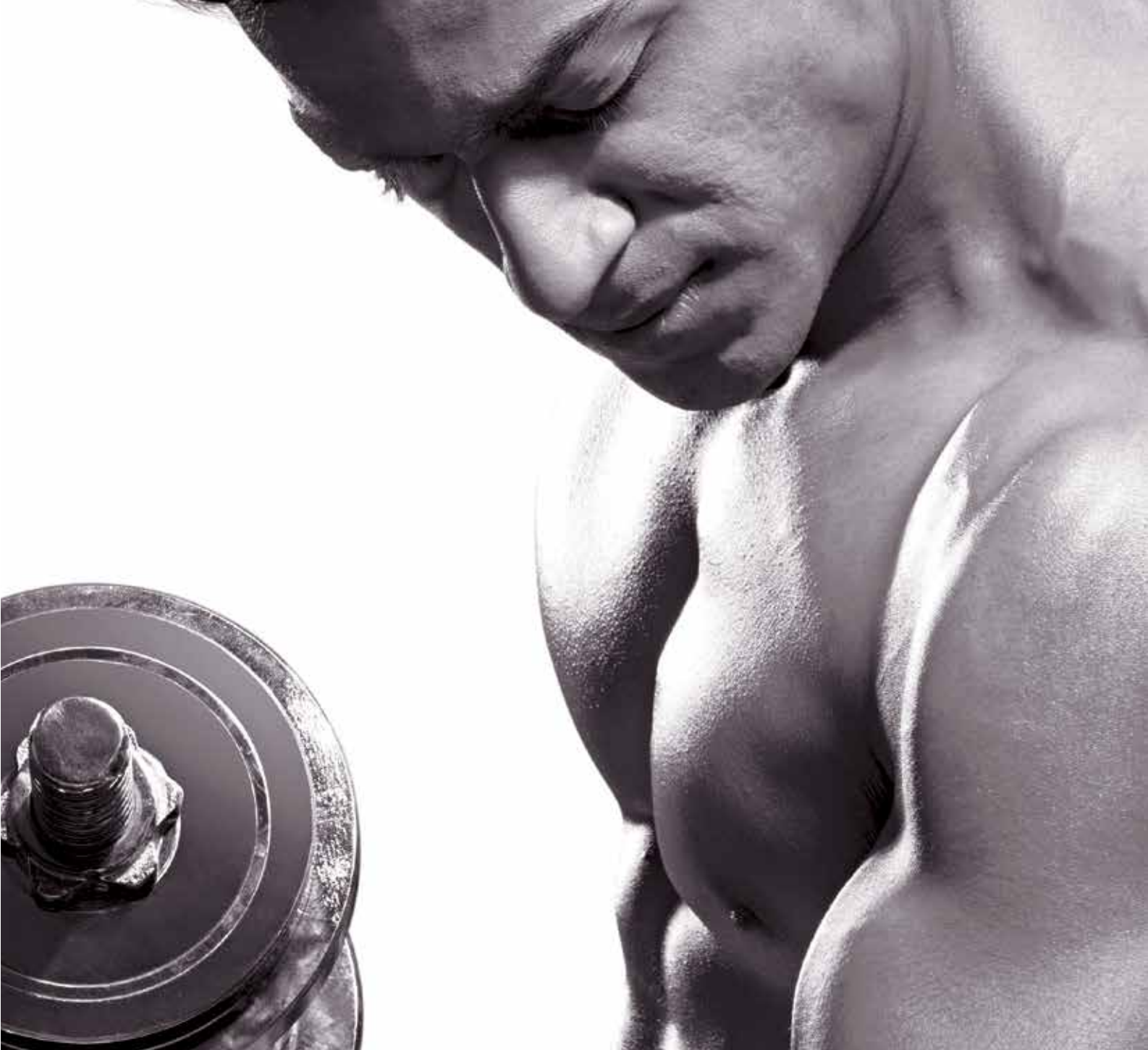


Form A

(Clause 31 of the Listing Agreement)

1	Name of the Company	Talwalkars Better Value Fitness Limited
2	Annual Financial Statements for the year ended	31 st March, 2015
3	Type of Audit Observation	Matter of Emphasis
4	Frequency of observation	Repetitive
5	Signed by:	
	Mr. Prashant Talwalkar Managing Director & CEO	
	Mr. Anant Gawande Whole-time Director & CFO	
	Mr. S. Poosaidurai Partner of M.K.Dandeker & Co. Auditors of the Company	
	Mr. Abhijeet Patil Audit Committee Chairman	



2015
ANNUAL
REPORT

**ADDING
MUSCLE**

TALWALKARS BETTER VALUE FITNESS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Girish Talwalkar	- Executive Chairman
Madhukar Talwalkar	- Whole-time Director
Prashant Talwalkar	- Managing Director & CEO
Vinayak Gawande	- Whole-time Director
Harsha Bhatkal	- Whole-time Director
Anant Gawande	- Whole-time Director & CFO
Manohar Bhide	- Independent Director
Raman Maroo	- Independent Director
Mohan Jayakar	- Independent Director
Avinash Phadke	- Independent Director
Abhijeet Patil	- Independent Director
Dinesh Afzulpurkar	- Independent Director
Mrunalini Deshmukh	- Additional Director

COMPANY SECRETARY

Avanti Sankav

STATUTORY AUDITORS

M.K. Dandekar & Company
Chartered Accountants
No.244 Angappa Naicken Street,
2nd Floor, Chennai - 600 001.

BANKERS

State Bank of India

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai - 400 078.

DEBENTURE TRUSTEE

Axis Trustee Services Limited
2nd Floor, Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai - 400 025

SBICAP Trustee Company Limited
Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate,
Mumbai – 400 020.

REGISTERED OFFICE

801 – 813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai – 400 026.

12TH ANNUAL GENERAL MEETING

Thursday, 10th September, 2015 at 11.30 a.m.

Venue: M.C. Ghia Hall of Indian Textile Accessories & Machinery
Manufacturer's Association, Bhogilal Hargovindas Building,
4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001.

Forward looking Statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral –that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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“YOUR HEALTH ACCOUNT, YOUR BANK ACCOUNT, THEY’RE THE SAME THING. THE MORE YOU PUT IN, THE MORE YOU CAN TAKE OUT. EXERCISE IS KING AND NUTRITION IS QUEEN. TOGETHER YOU HAVE A KINGDOM.”

JACK LALANNE, BODYBUILDER KNOWN AS THE “GODFATHER OF FITNESS”

THIS ANNUAL REPORT IS NOT AS MUCH ABOUT FINANCIALS AND RATIOS AS MUCH IT IS ABOUT US. OUR LIFESTYLE.

EVEN AS THE BROAD INDIAN ECONOMY CONTINUED TO REMAIN SLUGGISH, THE COMPANY PERFORMED CREDITABLY.

INDIA.
RANKED AS
THE THIRD
MOST OBESE
POPULATION.

INDIA.
GYM PENETRATION
ONLY 0.13% OF
THE COUNTRY'S
POPULATION.

With a vast increase in the number of the obese or overweight on the one hand and inadequate growth of the number of gyms to address the 'fitness gap' on the other, you get a fair indication of why India does not need one Talwalkar. **It needs hundreds more.**

Talwalkars

The only listed fitness proxy of one of the most fitness-at-risk countries of the world.

Promoters

The promoters of the Company have an experience of over five decades in the Indian fitness industry. The promoter shareholding as on 31st March, 2015 stood at 43.32%.

Services

Talwalkars is a leader in the Indian fitness industry with centres across India offering gymming and fitness, Transform, Zumba® programme, NuForm and Reduce, among others. The Company's fitness centres operate under two major formats - Talwalkars and HiFi (budget format located in non-metros).

Asset base

Talwalkars fitness centres were present across 150 locations in India as on 31st March, 2015. The Company operated 132 centres under the Talwalkars brand and 18 under HiFi. Nearly 35% of the centres were present in metro and Tier I locations and the rest across pan-India.

Out of the total 132 Talwalkars centres, 103 were owned and operated by the Company, 14

through the Company's subsidiary and 15 franchisee and licensed centres as on 31st March, 2015. 18 HiFi centres operated exclusively under the franchisee format.

Listing

The Company's equity shares are listed on the Bombay and National Stock Exchanges. The Company enjoyed a market capitalisation of ₹9,729 mn as on 31st March, 2015.

Recognition and accolades

Talwalkars has been recognised in the 'Best under a Billion' list of 200 companies by Forbes Asia in August 2013 – 'Talwalkars sells punishment and gets India in shape'

Recognised by Inc. India under '500 The Fastest Growing Mid-Sized Companies in India', September 2013. Talwalkars ranked 261 of 500 companies

Featured among the top10 fastest growing companies in the Inc. India list of 500 companies.

Recognised in Inc. India Innovative 100 – recognition of the 100 most innovative mid-sized companies in India, December 2013.

Prashant Talwalkar, Managing Director and CEO was selected in

the prestigious 'Top-30 Innovative CEOs' by Inc. India magazine October - November 2014.

Talwalkars. One-stop fitness and wellness

● Talwalkars Fitness Centre

- Basic membership
- Personal training
- Reduce
- Zumba® programme
- Aerobics, yoga, spa and massage
- Premium format fitness centres at Hyderabad and Mumbai

● HiFi

- Franchise gyms
- Functional format
- Tier-III and Tier IV towns

● Transform

- Standalone studios
- Combination of Reduce and NuForm programmes
- Offered within the gym premises and studios
- Convenience of doorstep services

● NuForm programme

- EMS-based workout
- Once a week for 20 minutes
- Offered within the gym premises and studios
- Convenience of doorstep services option

● Reduce programme

- Diet Based weight reduction
- Provision of ready-to-eat-and-cook food products

as a part of the diet programme

■ Offered within fitness centres and Transform studios

■ Convenience of doorstep services and online access option

● Sports club

■ Integrated fitness, sports and recreation clubs

■ To offer meeting, conference and banqueting facilities

■ World-class standards

Our partners and alliances

● **David Lloyd Leisure:** Europe's premium health sports and leisure club chains operating since 1982. DLL has over 30 years knowledge on costs, implementation and execution of such clubs. DLL employs about 6,000 people including a health and fitness team of over 1,800 and over 400 tennis professionals.

● **Premier Training International (UK):** Part of the Premier Global Group, a leading health and fitness industry training provider, Premier has built a first-class reputation in delivering quality vocational education since 1992 for the fitness industry; it has leading fitness industry experts and sports scientists designing the syllabus and imparting training.



"THE LAST THREE OR FOUR REPS IS WHAT MAKES THE MUSCLE GROW. THIS AREA OF PAIN DIVIDES THE CHAMPION FROM SOMEONE ELSE WHO IS NOT A CHAMPION."

- ARNOLD SCHWARZENEGGER, SEVEN-TIME MR. OLYMPIA

EVERY DAY SPENT AT A TALWALKARS FITNESS CENTRE HELPS COUNTER DISEASE AND MAKE THE COUNTRY A FITTER PLACE TO BE IN.

CARDIOVASCULAR DISEASE RISKS

THE SUSCEPTIBILITY OF INDIANS TO CARDIOVASCULAR DISEASE IS THE HIGHEST IN THE WORLD.

DIABETES CAPITAL OF THE WORLD

CLOSE TO 51 MN PEOPLE IN INDIA SUFFER FROM DIABETES. INDIANS ARE PRONE TO BE DIABETIC FROM THE EARLY AGE OF 45 COMPARED TO THE GLOBAL AVERAGE OF 55 YEARS.

RISING HYPERTENSION

WITH ECONOMIC PROSPERITY AND RISING STRESS, HYPERTENSION INCIDENCE IN INDIA IS RISING AT 25-30%.

LIFESTYLE DISEASES

INDIA IS INCREASINGLY BECOMING AFFLICTED BY LIFESTYLE DISEASES ARISING FROM SEDENTARY LIFESTYLES, PAUCITY OF SPACE TO EXERCISE AND STRETCHED SCHEDULES.

WORLD'S LARGEST YOUTH POPULATION

INDIA HAS 356 MN YOUNG PEOPLE BETWEEN THE AGES OF 10 AND 24, MAKING IT THE WORLD'S LARGEST YOUTH POPULATION.

A RAPIDLY GROWING MIDDLE-CLASS

INDIA'S MIDDLE-CLASS IS IN EXCESS OF 200 MN AND EXPECTED TO GROW STEADILY OVER THE NEXT FEW YEARS.

FAST FOOD CONSUMPTION RISING

FAST FOOD CONSUMPTION IN INDIA IS WITNESSING A 30% CAGR WITH THE URBAN METROPOLITAN POPULATION EATING OUT CLOSE TO EIGHT TIMES EACH MONTH.

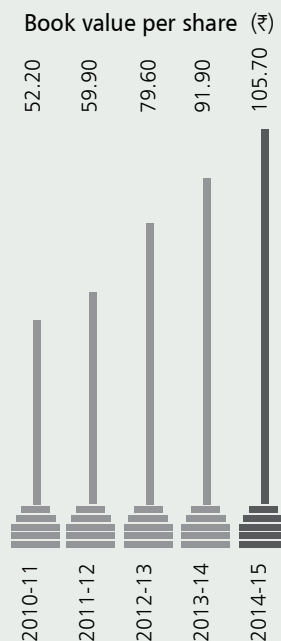
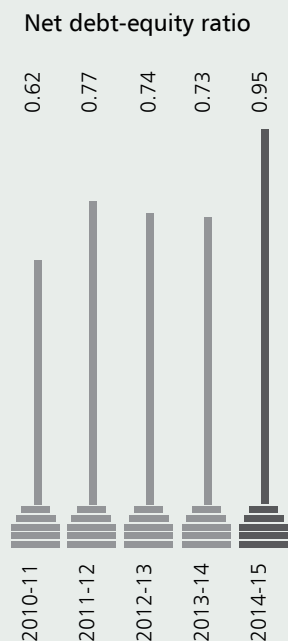
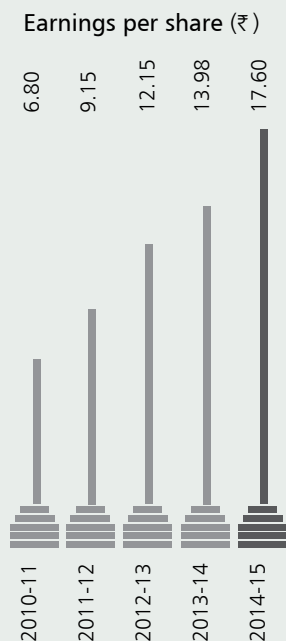
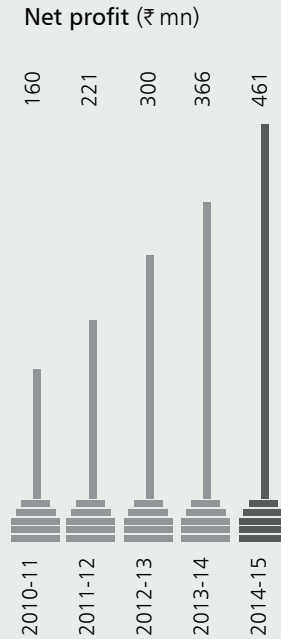
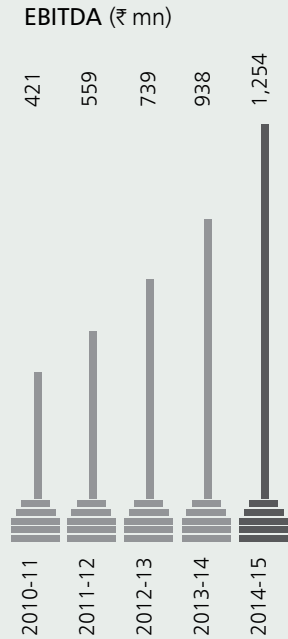
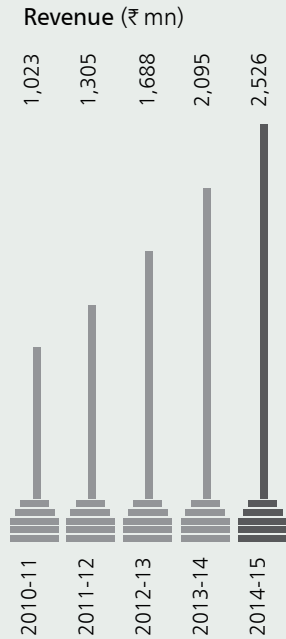
RISING CHILD OBESITY

INDIA IS WITNESSING RISING CHILD OBESITY. A STUDY CARRIED OUT BY THE NATIONAL DIABETES, OBESITY AND CHOLESTEROL FOUNDATION IN MUMBAI REVEALED THAT 33.9% OF TEENAGERS IN MUMBAI'S PRIVATE SCHOOLS AND 8.4% OF KIDS IN PUBLIC SCHOOLS WERE OBESE.

FINANCIAL HIGHLIGHTS



“IN TRAINING, YOU LISTEN TO YOUR BODY. IN COMPETITION, YOU TELL YOUR BODY TO SHUT UP.” - RICH FRONING JR., FOUR-TIME CROSSFIT GAMES CHAMPION



WORLD'S LARGEST YOUTH POPULATION
INDIA HAS 356 MN YOUNG PEOPLE BETWEEN THE AGES OF 10 AND 24 MAKING IT THE WORLD'S LARGEST YOUTH POPULATION.



**A GREAT
ENVIRONMENT FOR
GREAT BODIES**

THERE ARE TWO INDIA'S THAT EXIST SIDE BY SIDE.

One India seeks the lowest cost, gravitates towards finding the best value at the bottom of the barrel and is always ready to stretch the rupee to its furthest.

The other India comprises ever-aspiring, well-travelled achievers who need their affluence to reflect in their lifestyle and are willing to pay higher for better service.

FOR YEARS, one assumed that the former India would have crowded the latter India out. Now, following the growth of India's middle-class and new-found prosperity across millions, all those who pronounced this theory are not so sure.

There are a number of pertinent reasons for this.

When it comes to the experiential, people want the best. When it comes to their health, people are willing to spend higher. When it comes to lifestyles, budgets exceed established limits.

At Talwalkars, we eagerly seized the day.

FOR YEARS, we were happy being a regular fitness centre chain; however, we consciously tweaked our strategy during the last fiscal.

For decades, we had democratised organised gymming in the country; over the past few months, we began to premiumise our approach without completely letting go of our longstanding strategy.

FOR YEARS, we had always believed that the optimum size of a fitness

centre should be around 5,000 sq. ft.; our premium equivalents are 8,000-12,000 sq. ft. (our state-of-the-art gym in Hyderabad).

FOR YEARS, we had been setting up our centres in quiet residential neighbourhoods; our premium fitness centres are being launched in more visibly upscale locations (Banjara Hills in Hyderabad; Churchgate in Mumbai).

FOR YEARS, our fitness centres had generated ₹18,000-20,000 per annual membership; suddenly, the new-age fitness centres are successfully garnering 30-40% more over the same tenure.

It is still early days in the story of premium fitness centres at Talwalkars, but the direction is evident. The Talwalkars of the future will set new standards in terms of space, services and style; where a valet will collect your keys to park the car, where after a workout you may select to drink something down from the juice bar, and where you may use the Wi-Fi to check your mail before returning to the bench press.

The idea is that when people aspire for a great body, nothing but a great environment will do.

FROM GYMS TO CLUBS

INTERESTINGLY, THE IDEA OF A CLUB WAS DRAWN FROM THE VERY PEOPLE WHO WE WANTED TO MARKET OUR GYM SERVICE.

OUR CUSTOMERS.

The customer did not just need a gym where she could work out for an hour each morning; she needed a space where she could also unwind each evening.

The customer did not just need a gym where she (or her spouse) could lift weights; she needed a cozy confine that permitted family relaxation.

The customer did not just need a gym where the sole aim was to lose weight or gain a six-pack; he needed a larger social hangout where one could just sit and relax.

All of these requirements were encapsulated in Talwalkars' desire to create a large, world-class club.

This desire translated into the decision of announcement of Talwalkars and David Lloyd Leisures intention to create a 50:50 joint venture to develop leisure clubs in India.

Here's why:

One, the engagement is a coming together of Talwalkars, India's premier gymming services provider, and David Lloyd Leisure Limited, a globally renowned entity with over 30 years of expertise, enthusiasm and excellence in the realm of club facilities. Talwalkars attracted the respected international brand into part-ownership and continuous engagement, enhancing the long-term value for the Company.

Two, the relationship does not only cover the establishment of leisure clubs in India but also their ongoing management, translating into sizeable annuity revenues over the years.

Three, an organised club environment in line with globally-accepted standards represents the fulfilment of a lifestyle demand emerging out of a steadily urbanising India; it is ideal for townships, residential high-rises and corporate campuses.

At Talwalkars, this is no pipe-dream. The Company acquired land for launching a club in Pune – the first of many such clubs mushrooming across different cities.

While this is expected to enrich the lifestyles of members, it will also reinforce the Company's financials via a prudent mix of chunky one-time and steady annuity revenues.

More importantly, the business will attempt to achieve in the area of organised clubs what the Company has already achieved in the space of organised gyms.

Democratisation of leisure in the largest democracy of the world.

MORE IMPORTANTLY, THE BUSINESS WILL ATTEMPT TO ACHIEVE IN THE AREA OF ORGANISED CLUBS WHAT THE COMPANY HAS ALREADY ACHIEVED IN THE SPACE OF ORGANISED GYMS.

"YOU SHALL GAIN, BUT YOU SHALL PAY WITH SWEAT, BLOOD, AND VOMIT"

- PAVEL TSATSOULINE,
CHAIRMAN OF
STRONGFIRST AND
FATHER OF THE
MODERN KETTLEBELL
MOVEMENT



**"I WAS NEVER A
NATURAL ATHLETE,
BUT I PAID MY DUES
IN SWEAT AND
CONCENTRATION,
AND TOOK THE TIME
NECESSARY TO
LEARN KARATE AND
BECAME A WORLD
CHAMPION."**

CHUCK NORRIS, MARTIAL ARTIST AND ACTOR

“THERE’S
NO SECRET
FORMULA. I LIFT
HEAVY, WORK
HARD, AND
AIM TO BE THE
BEST.”

- RONNIE COLEMAN,
EIGHT-TIME MR.
OLYMPIA

“SUCCESS IS
USUALLY THE
CULMINATION
OF
CONTROLLING
FAILURE.”

- SYLVESTER
STALLONE, ACTOR

“YOU’RE GOING
TO HAVE TO
LET IT HURT.
LET IT SUCK.
THE HARDER
YOU WORK,
THE BETTER
YOU WILL
LOOK. YOUR
APPEARANCE
ISN’T PARALLEL
TO HOW HEAVY
YOU LIFT, IT’S
PARALLEL TO
HOW HARD YOU
WORK.”- JOE
MANGANIELLO,
ACTOR AND ONE OF
THE 100 FITTEST
MEN OF ALL TIME

“YOU DREAM.
YOU PLAN.
YOU REACH.
THERE WILL BE
OBSTACLES.
THERE WILL
BE DOUBTERS.
THERE WILL
BE MISTAKES.
BUT WITH HARD
WORK, WITH
BELIEF, WITH
CONFIDENCE
AND TRUST IN
YOURSELF AND
THOSE AROUND
YOU, THERE ARE
NO LIMITS.”

MICHAEL PHELPS,
OLYMPIC SWIMMER

A LEAN BALANCE SHEET

WHEN YOU NEED TO FINISH
FIRST IN A RACE, YOU FIRST
NEED TO FINISH.

Ever since our inception, we judiciously invested in our people, equipment, alliances— and a conservative Balance Sheet.

Over the years, we ran our business with prudence; even as we have always been excited by the vast potential of our business in the second-most populous nation in the world, we selected to capitalise only to the extent that our Balance Sheet allowed.

The result is that for years, we nursed a Balance Sheet that remained largely under-leveraged; our business plans were matched with receivables; our business was not woven as much around profits as around cash flows.

These were some of the initiatives that strengthened our business:

INFLOW: We made a qualified institutional placement of ₹1074.81 mn in June 2015, strengthening our net debt- equity ratio down to around 0.40, which will help us upgrade ratings and moderate our borrowing costs.

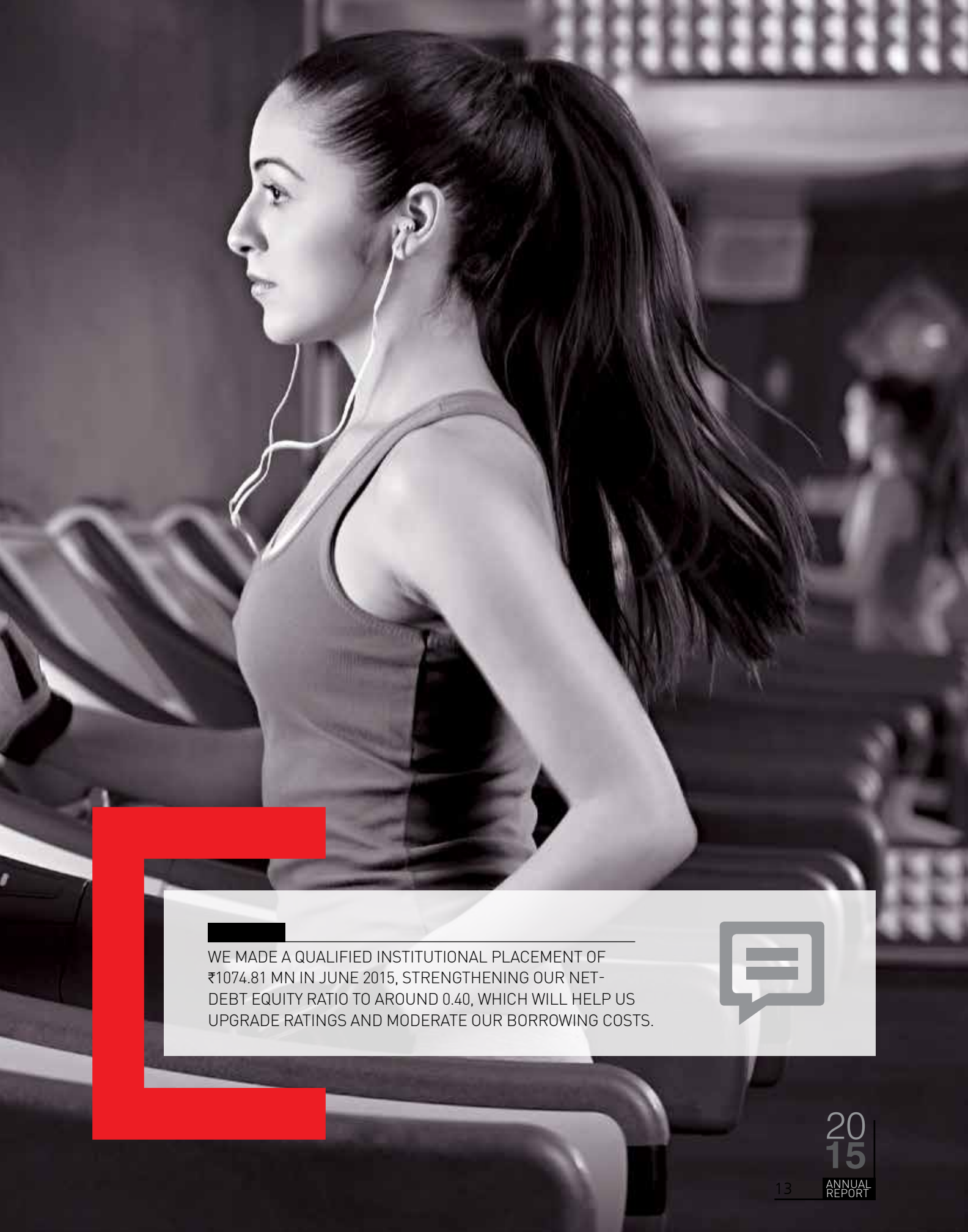
ORGANIC GROWTH: We focused on generating greater same-store sales growth over the need to implement new fitness centres.

RENTAL LOCK-IN: Our fitness centres across India are locked

under long-term rental contracts. We moderated the escalation clause of the rental agreements of a few of our fitness centres, resulting in a reduction of rental costs by 20-25%.

RESTRUCTURING: We temporarily moderated advertising for Zumba®, NuForm and Transform. We integrated NuForm as a value-addition into our fitness centre roster. We laid out a plan to install NuForm equipment across nearly 40 locations in FY16. Further, we intend to reduce the duplication cost and synergise the operating cost by merging or restructuring 8 standalone studios into the existing nearby fitness centres in FY16. We identified ~300-500 sq. ft. of unused space across ~50 fitness centres to provide free-floor exercises and conduct weight-loss programmes, shoring up same-store sales.

BANKING ARRANGEMENT: We shifted to State Bank of India for all our banking needs, making it possible to reap the benefits of the rate cuts announced by the RBI. We were able to reduce about 250 basis points in debt costs across the board, enduring benefits to the Company.



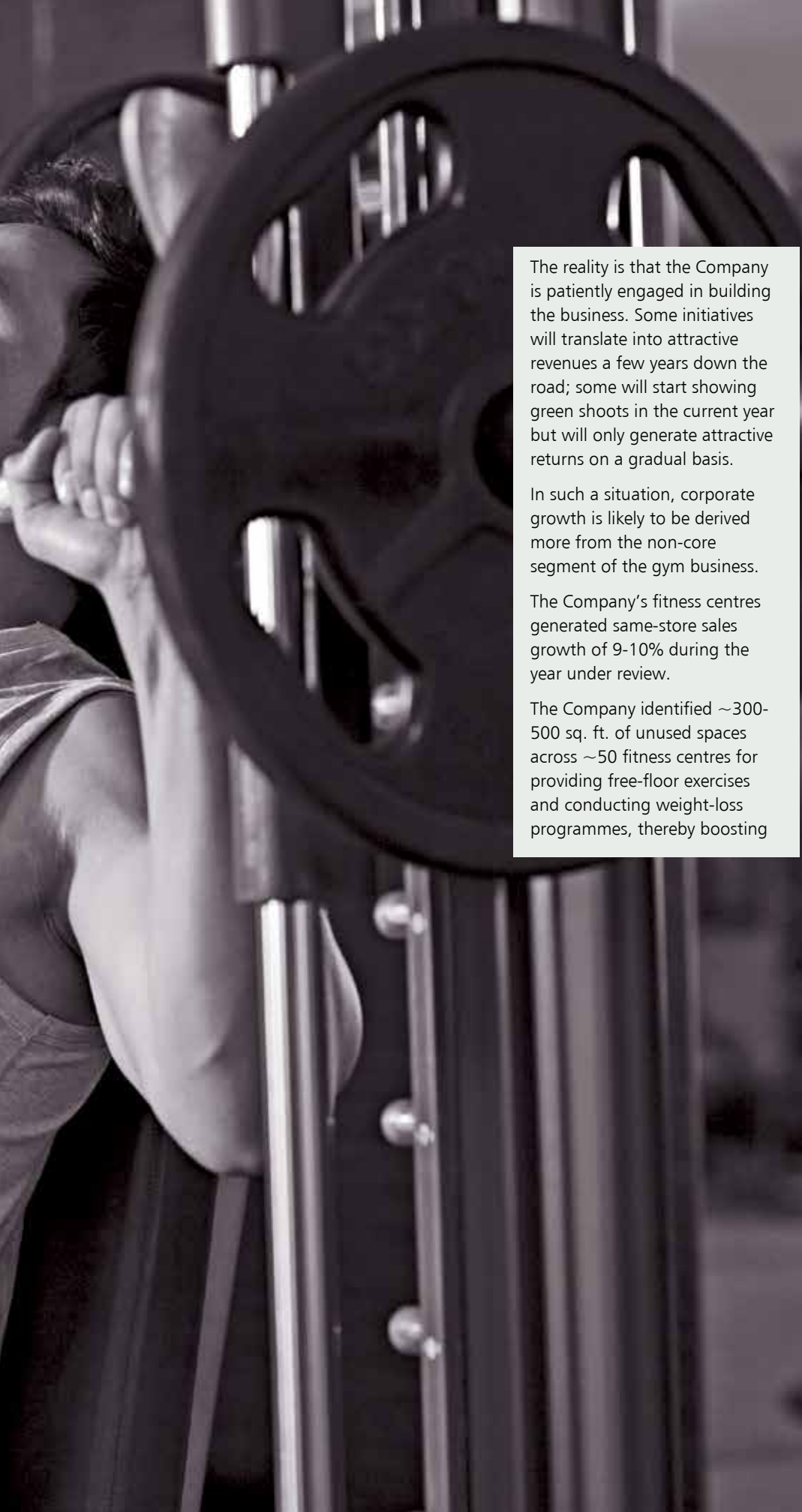
WE MADE A QUALIFIED INSTITUTIONAL PLACEMENT OF ₹1074.81 MN IN JUNE 2015, STRENGTHENING OUR NET-DEBT EQUITY RATIO TO AROUND 0.40, WHICH WILL HELP US UPGRADE RATINGS AND MODERATE OUR BORROWING COSTS.



A black and white photograph of a man in a gym, performing a bench press. He is lying on a bench, holding a barbell across his chest. The background shows gym equipment and a window with blinds. The image is partially obscured by a dark grey semi-transparent box containing text.

CONSOLIDATING **OUR CORE BUSINESS**

IT WOULD BE NATURAL TO BE
EXCITED ABOUT ALL THE NEW
DEVELOPMENTS TRANSPIRING AT
THE COMPANY BY ASSUMING THAT
THEY WILL KICKSTART ATTRACTIVE
GROWTH FROM THE VERY NEXT DAY.



The reality is that the Company is patiently engaged in building the business. Some initiatives will translate into attractive revenues a few years down the road; some will start showing green shoots in the current year but will only generate attractive returns on a gradual basis.

In such a situation, corporate growth is likely to be derived more from the non-core segment of the gym business.

The Company's fitness centres generated same-store sales growth of 9-10% during the year under review.

The Company identified ~300-500 sq. ft. of unused spaces across ~50 fitness centres for providing free-floor exercises and conducting weight-loss programmes, thereby boosting

revenue accretion.

The Company institutionalised the weight loss programme NuForm across most of its fitness centres.

The Company chalked out a plan to reinvest significant amounts in revamping its existing fitness centres with advanced fitness equipment.

The Company's fitness centres were set up in places marked by high visibility and easy access.

As a fitness chain brand, we continue to pay attention to smaller details that, often overlooked, play a major role in contributing to service excellence.

TAKE CARE OF YOUR
BODY. IT'S THE ONLY
PLACE YOU HAVE TO
LIVE.- JIM ROHN

OUR BUSINESS MODEL



SPREADING FITNESS AND HEALTHY LIVING

Talwalkars is focused on its goal of raising fitness standards in the country and spreading healthy living.



LEVERAGING BRAND TALWALKAR

The Talwalkars brand has become synonymous with the Indian fitness industry. Riding brand goodwill and management competence, the Company has grown the business significantly over the last five years - revenues and PAT at a CAGR of 25.3% at 30.3%, respectively.



VALUE CHAIN

Talwalkars widened its presence through the mass segment of the Indian fitness industry while graduating to the premium segment in the last year (premium centres in Hyderabad and Mumbai). This represents the basis of a widening value chain within the Company.



EXTENDING REVENUE STREAMS

At Talwalkars, we generate multiple revenue streams that extend beyond core gymming - value-added services like Transform, Reduce, NuForm, nutrition, spa, massage, aerobics, yoga and dietary regimes, among others.



EXEMPLARY TRAINING

Talwalkars prides on its deep knowledge of workout techniques, cutting-edge technology and trainer expertise. Talwalkar trainers have been trained extensively in the Company's captive fitness training 'school' in the latest fitness training techniques, methodologies and programmes.



STRATEGIC ALLIANCES

Talwalkars entered into alliances with international partners to ensure access to the highest quality of offerings and services.

- David Lloyd Leisure Limited (DLL), Europe's leading premium sports, health and leisure group. DLL enjoys extensive experience in setting up premium sports, health and leisure clubs across Europe.
- Premier Training International for enhancing the skills of personal trainers and fitness professionals. Premier Training is a leading health and fitness training provider delivering quality vocational education since 1992.



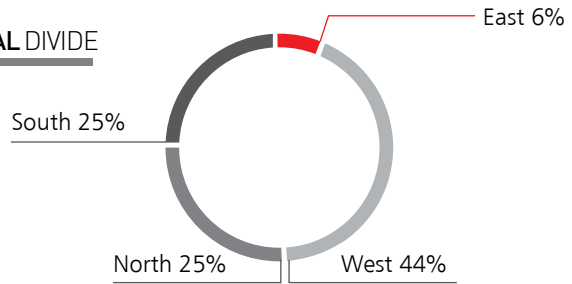
ASSET-LIGHT

Talwalkars' asset-light strategy is focused on the generation of superior business returns that can be deployed in synergic business extensions, leading to sustainable growth. The Company implemented the rollout of franchisee-owned centres (HiFi), making it possible to widen the Talwalkars footprint with significantly lower investments, and generate franchise licensing fees without compromising brand integrity.

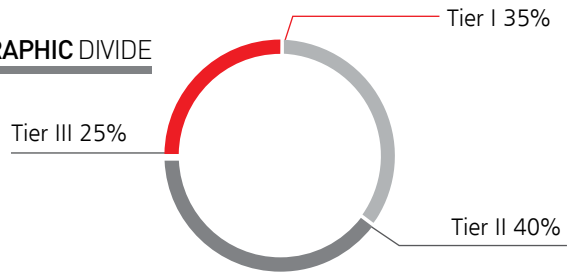
PAN-INDIA PRESENCE

Talwalkars has 150 fitness centres located across 79 cities in 21 states. The Company enjoys a pervasive presence in almost all Tier-I Indian cities; some cities have more than one Talwalkars fitness centre. Around 65% of the Company's fitness centres are located in non-metro locations, making it possible to seed the concept of organised fitness centres in under-serviced locations. Some 44% of the centres are located in Western India and 25% each in Southern and Northern India.

REGIONAL DIVIDE

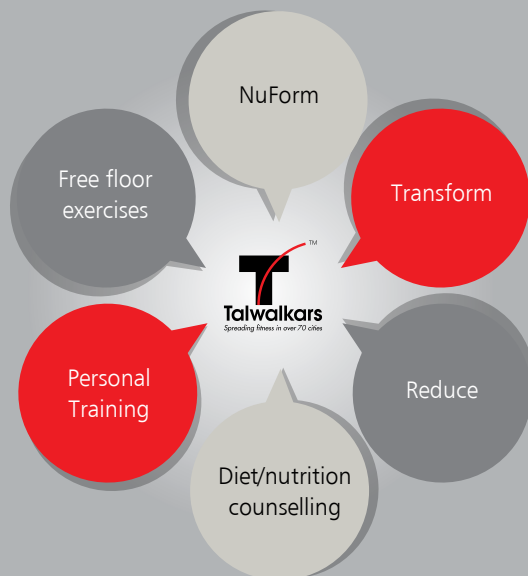


DEMOGRAPHIC DIVIDE



PREMIUMISATION STRATEGY

Talwalkars is increasingly focusing on the premiumisation of services at its fitness centres. Offerings such as NuForm, Reduce and Transform are helping create a strong differentiator between Talwalkars and other competing health centres. These offerings are reporting traction, accounting for a larger share of revenues. The Company opened its top-of-the-line fitness centre at Hyderabad spread across 10,000 sq. ft. (against a standard size of 5,000 sq. ft.). The annual membership fees at these fitness centres are 30-40% higher than the fees charged at regular fitness centres.



Q. How can the performance of the Company in 2014-15 be appraised?

A. Talwalkars is pleased with the performance in 2014-15 for some good reasons.

One, the Company reported profitable growth wherein the percentage increase in profits was higher than the percentage increase in revenues, validating the robustness of the business model.

Two, the proportion of revenues from value-added business streams increased from 18-20% to 23-24% across the last three years, vindicating the need to premiumise our services.

Three, the Company reported an increase in EBITDA margin by 500 bps to 56% during the year under review, emphasising that the business becomes increasingly profitable with an increase in revenues.

Q: What are some of the more specific strategies that translated into superior performance?

A: There were two aspects of the Company's working during the financial year that need to be explained.

In a business where resources need to be infused into network growth, the Company moderated interest intensity in the business – from 11.6% of revenues in 2013-14 to 11% in 2014-15, riding an increase in the interest coverage from 4.3 times to 5. This indicates that the business is progressing towards a sweet spot when it will have repaid its long-term debt, begun to generate the resources for sustainable network growth and then grown the business to a point

“TALWALKARS IS PLACED ATTRACTIVELY AT A **POINT OF TAKE-OFF**”

where the quantum of surpluses would be larger than the capital appetite of the business.

In a business where revenue increases are needed to be able to cover the fixed costs more effectively, the Company increased the number of memberships on a continual basis with an average renewal rate of 76% and increased same-store sales growth to 9-10%. The combination of these realities resulted in a lowering of the breakeven point, allowing faster profit accretion. This indicates that in a country where organised gym rollout is negligible, Talwalkars enjoys a considerable operating leverage; as this operating leverage gets progressively addressed, membership rollout is expected to accelerate and this could in turn, help cover fixed costs more effectively, translating into margins growth.

Q. It has been five years since the Company was listed. What is the assessment of the Company's journey during this period?

A. Talwalkars Better Value Fitness has come a long

way during these past five years from an operational as well as from a financial standpoint.

In 2010, Talwalkars listed with a market capitalisation of ₹3,087 mn. Through prudent strategy and robust performance, market capitalisation strengthened to ₹9,729 mn at the close of 2014-15.

At the time of listing in 2010, the Company had 58 fitness centres across 28 cities/towns; today there are 150 fitness centres across 79 cities/towns.

In 2010, all operations were solely under the Talwalkars brand name, whereas today the Company operates across the mid and premium fitness segments through the HiFi and Talwalkars brands respectively. Besides, the Company has entered the ultra-premium fitness segment in 2014-15, which is expected to kickstart revenues.

In 2010, the Company operated solely as a gym fitness brand. In the last five years, value-added new-age offerings like NuForm, Reduce, Transform and Zumba® in addition to the spa, massage, aerobics, spinning, steam and sauna

bath facilities, have been added. This showcases Talwalkars' ability to reinvent in line with evolving trends and needs, sending out a message that the 'Talwalkars' brand is not static and passive but dynamic and responsive.

In 2010, we generated PAT margins of 13.2% with our revenues around ₹661 mn; by 2014-15, we had strengthened our margins to 20.4% with revenues at around ₹2,526 mn.

Q. Talwalkars is today India's largest fitness chain operator. How does the Company intend to build on this?

A. Talwalkars made a qualified institutional placement of ₹1,074.81 mn (post-Balance Sheet development) in June 2015, where shares were offered to leading institutional investors, clearly demonstrating faith in our business model. These funds would be used for the setting up of additional fitness centres and for the introduction of programme such as NuForm across all our fitness centres.

Going forward, the Company intends to navigate into a more

THE HUMAN BODY IS THE BEST PICTURE OF THE HUMAN SOUL.

-LUDWIG WITTGENSTEIN

TO ENJOY THE GLOW OF GOOD HEALTH, YOU MUST EXERCISE.

GENE TUNNEY

formidable position that would lead to the creation of additional revenue streams from existing competencies and infrastructure.

Q. What are the reasons the Talwalkars business model continues to be relevant?

A. Talwalkars is India's largest fitness chain operator. The business model is essentially divided into a three-pronged strategy that synergistically comes together to strengthen every aspect of the business.

The first part is focused on the expansion of fitness centres to newer cities/ towns by replicating the management systems and service excellence perfected at existing locations. This strategy is expected to drive revenues and strengthen the reach and reputation of the Talwalkars brand.

The second part of the strategy is concentrated around raising revenues from existing centres and increasing the share of value-added services in the revenue mix. The Company

has taken significant steps to raise its share of value-added offerings over the last few years by adding services such as spa, massage, personal training, Zumba® programme and the Reduce programme to name a few, to attract new members and retain existing members. With this, the share of value-added services has risen from 22-23% in 2013-14 to 23-24% of total revenues in 2014-15.

The third part of the strategy is focused around consulting, execution and management of operations for setting up leisure and sports clubs in India through a proposed JV with David Lloyd Leisure Limited of the UK. This has been undertaken because it is believed that the country faces a huge shortage of space and avenues for leisure and sports facilities. Significant progress has been made during the year 2014-15 by acquiring land in Pune and starting construction for setting up the first club. Talwalkars believes that this venture will generate attractive annuity incomes over the years.

Q. What is the principle message to the stakeholders of the Company?

A. The main message to the stakeholders of Talwalkars Better Value Fitness is that significant business drivers have been put in place to ensure sustained growth in revenues and profitability. Since going public in 2010, there has been a constant effort to increase stakeholder value through a strong financial performance - a CAGR of 25.3% in revenues, 30.3% in PAT and an average EBITDA margin of 49.36% over the last five years. This financial performance has been accompanied by the highest standards of corporate governance.

Talwalkars is ideally placed to gain from India's growth, benefitting from favourable demographics, national presence in attractive locations, rising prosperity and the increasing desire of people to look fit and lead a healthy life.

THE REASON

I EXERCISE IS FOR THE QUALITY OF LIFE I ENJOY.

KENNETH H. COOPER

IN 2010, TALWALKARS LISTED WITH A MARKET CAPITALISATION OF ₹ 3,087 MN. THROUGH PRUDENT STRATEGY AND ROBUST PERFORMANCE, MARKET CAPITALISATION STRENGTHENED TO ₹ 9,729 MN AT THE CLOSE OF 2014-15.

TALWALKARS IN TRANSFORMATION

What Talwalkars was	What Talwalkars is	The future for Talwalkars
Health centres offering plain fitness services (gym, personal training, spa and aerobics, among others)	Fitness centres offering new-age programme (Reduce, Transform, NuForm and TRX, among others) to a discerning clientele	Total fitness solutions provider offering a range of programmes benchmarked with international leaders
Offering services under the 'Talwalkars' brand; focus on metropolitan cities	Brands operating as 'Talwalkars' (catering to the metropolitan/larger cities) and 'HiFi' (catering to Tier III and IV towns at value price points)	Operating across the entire spectrum of ultra-premium, premium and value segments with a pan-India presence
A business with a revenue stream highly dependent on membership enrolment/renewal	A business model that drives revenues from members and non-members (under the NuForm, Transform and Reduce programmes)	A business with multiple revenue streams (fitness centres, NuForm, Transform, Reduce, clubs and fees from franchisees, among others)
Vast experience in running fitness centres	Extended this experience through a proposed joint venture with David Lloyd International to set up and operate leisure/sports clubs	A successful operator of leisure/sports clubs by embarking on the construction of the first club in Pune
Owned majority of fitness centres, resulting in an asset-heavy operating model	Health centres that operate under direct and franchisee ownership	A migration to an asset-light strategy with directly owned and franchised health centres that widen geographic spread and generate attractive franchisee fees
Annual membership offerings in the range of ₹18,000-20,000 per annum	Premiumisation has helped strengthen annual membership fee at ultra-premium centres to ₹30,000-32,000 per annum	A sustained premiumisation focus will increase membership fees
6% share of total income derived from value-added services	Rising share of premium offerings has increased share to 23-24% of total income	~40% of the total income will come from margin-accretive value-added services that will drive profitability
Limited presence in the smaller cities/towns of India	38 health centres located in Tier III towns with a rising membership due to rising aspirations	Consolidating the Company's presence under the 'HiFi' brand in Tier III and IV towns

MANAGEMENT DISCUSSION AND ANALYSIS

THE CENTRAL STATISTICS OFFICE EXPECTS THE INDIAN ECONOMY TO GROW BY 7.3%, UP FROM 6.9% IN THE PREVIOUS YEAR. IT IS ESTIMATED THAT INDIA COULD EMERGE AS THE FASTEST GROWING ECONOMY BY 2016. INDIA'S GROWTH IS EXPECTED TO BE ~7.5% WHEREAS CHINA COULD REPORT A GROWTH RATE OF ONLY 6.8%.

The economic prospects of India have brightened on the back of a reining in of inflation, rise in domestic demand, increase in investments and a decline in oil prices, among others. The reduction in inflation

has been driven by a sharp decrease in the prices of crude oil and a fall in the prices of major industrial commodities.

Industry overview

The Indian fitness industry is

in its early stages of growth with a gym penetration rate of just 0.13% and significant untapped potential that could result in unabated growth in the coming years. With constant rising surge in the number

of gym-goers, the fitness industry in India is all set to witness significant growth.

The relatively underpenetrated Indian market has experienced healthy growth rates over the last few years. The combination of a billion-plus population and a demographic profile that is significantly skewed to the younger age brackets of 10-24 years will provide a rich target market for fitness clubs. Moreover, changing social trends are also facilitating the incremental inflow of female customers in the Indian fitness industry who today make up almost half the Indian market.

The industry primarily caters to Indians with high disposable incomes and conscious about health



and fitness. Indians are highly susceptible to lifestyle diseases such as diabetes, cardiac problems, osteoporosis and arthritis, among others, that typically affect a significant number of people as they cross the age of 40 years. The Indian fitness industry is also witnessing significant growth in the desire of people to look good, eat right and feel good.

Higher rates of heart disease, increase in the incidence of cancer, record numbers of clinically obese people, and various other health scares have all drawn attention to the need for healthy lifestyle choices. A survey done by EduSports revealed that a majority of the current generation of Indians are unfit. This is due to the rise of sedentary lifestyles, unhealthy diets and low importance given to physical fitness.

According to the IHRSA Global Report 2015, the global fitness industry is worth USD 84 billion in revenues, comprising 180,000 health clubs worldwide. The IHRSA Asia-Pacific Health Club Report 2015 estimates the Indian fitness industry size at USD 669 mn with a total

base of 3,800 clubs and a membership size of around 9,50,000.

The industry is also affected by problems such as the lack of standardisation, an acute shortage of trained fitness professionals and high real estate rental costs. Further, a majority of fitness equipments used in India are imported and suffer high rates of import taxation, leading to higher gym costs.

Despite these challenges, the favourable Indian demographic profile, changing social trends, rising fitness consciousness and the entrance of international fitness chains in the Indian market are expected to contribute to growing the market.

Industry growth drivers

Demographics

India has a current population of approximately 1.27 billion and by 2050 it is expected to touch 1.69 billion. Additionally, the total number of people between the active bracket (40 years and above) is expected to increase from 33% in 2012 to 43% in 2041. These factors,

combined with higher purchasing power, are going to benefit the fitness industry on the whole for the people will now prefer services that help them remain healthy.

Rising disposable incomes

Rising employment, purchasing power and urbanisation has instilled awareness among the people about the need to remain fit and healthy. This has propelled them to invest in fitness services, something which was not prioritised earlier.

Lifestyle diseases in India

India is ranked third after US and China in the study of the highest number of obese people in the world. Obesity is a commonplace disease among 41 mn people. Furthermore, India and China cumulatively account for a seventh of the world's obese. India's susceptibility to cardiovascular diseases is the highest in the world. The possibility of death by coronary heart disease is expected rise from a fifth to a third by 2020. This, in comparison with the west, occurs 10-15 years earlier. There are 51 mn people in India suffering from

diabetes and this statistic is highest across any country. Moreover, an Indian is prone to be diabetic at a young age of 45. This, in comparison with the west, is 10 years earlier. In urban India, the prevalence of hypertension is rising with 25-30%. Therefore, concerns about health are serious and need to be dealt with urgency.

Rising fitness consciousness

The rising trend of lifestyle diseases at an early age in India are caused by stretched schedules, sedentary lifestyles and a paucity of access to open spaces. This is spurring awareness in people about the need to remain fit and healthy. This, combined with India's demographic profile, is likely to create a huge opportunity for the Indian fitness industry.

Rising urbanisation

Urbanisation in India is rising at an exponential rate. Cities are acting as platforms of immense potential that aid in fostering economic and social development. Currently, about 300 mn people live in the cities and in the span of 20-25 years



THE COMBINATION OF A BILLION-PLUS POPULATION AND A DEMOGRAPHIC PROFILE THAT IS SIGNIFICANTLY SKEWED TO THE YOUNGER AGE BRACKETS OF 10-24 YEARS WILL PROVIDE A RICH TARGET MARKET FOR FITNESS CLUBS IN THE YEARS TO COME.

it is expected that another 300 mn people will migrate to these locations. Hence, more people are expected to adapt to the urban culture,

widening the market for health and fitness in the country.

Peer influence

With the passage of time,

fitness is expected to be a priority among many. With rising standards of living and establishment of social groups, the health and fitness industry is likely to

benefit. It is probable for people to undertake services that ensure improvement in health and fitness due to social conformity.



The Talwalkars business model

As India's biggest player in the fast-growing fitness and wellness space,

Talwalkars has a network of 150 fitness centres located at key locations across India. The Talwalkars brand is equated with a high-quality experience and personalised attention at an affordable

price. The Company has strengthened its place by capturing a rising share of the Indian fitness market and has backed that by offering high-margin, value-added services.

Talwalkars business is largely recession-proof and offers a steady source of annuity revenues.

At the close of 2014-15,

Talwalkars operated 103 directly owned fitness centres, 14 centres under its subsidiary, 15 operated as franchised and licensed centres and 18 HiFi gyms. The Company made its presence felt in 79 cities and towns across the country.

Around 35% of the total fitness centres were situated at prominent locations in

Tier-I cities, while 40% and 25% centres were located in Tier-II and Tier-III cities and towns respectively. The Company envisages that increasing demand will emanate from these locations on the back of rising incomes and aspirations.

The Company has focused on qualitative consistency

in terms of equipment and personnel at its centres across the country to ensure that customers enjoy an unparalleled experience that conforms to best-in-line service benchmarks. The Company has been in the fitness industry for over 80 years and is India's leading player with 150 centres, giving it significant economies-of-scale, business expertise and customer goodwill.

The Company enjoys competitive advantages from having its own training institute – Talwalkars Training Academy located in Thane. The 25,000 sq.ft. training centre offers exhaustive training in the latest trends transpiring in the global fitness industry to aspiring fitness professionals. The training imparted is designed to provide theoretical as well as practical knowledge over a period of 4-6 weeks across a number of areas such as weight training, cardiovascular fitness, nutrition and resistance training, among others. The training centre also trains operational staff such as managers and accountants to ensure the highest quality of customer experience across the Company's fitness centres.

Cognisant of the dearth

of leisure and sports clubs in India, Talwalkars and David Lloyd Leisure Limited announced their intention to create a joint venture to set up, operate and manage a chain of such clubs across India. The Company is setting up its first club at Pune and foresees attractive annuity income from this business coupled with the potential to replicate this model across locations.

Talwalkars has entered the ultra-premium end of the fitness market by setting up large format fitness centres at Hyderabad and Mumbai, offering dedicated workout space for strength and weight training and facilities such as juice bars, wi-fi, valet parking and coffee shops, among others. These ultra-premium fitness centres have witnessed a good response and will be expanded to other locations in the years ahead.

Growth drivers

Personal Training

Personal training facilities are offered to fitness centre members to help them improve their fitness regimen and techniques under the supervision of a personal trainer. A personal trainer provides individual attention to a member helping them plan their workout regimen and

assisting them during the workout. Personal training is currently provided at all the Company's fitness centres.

Massage

Massage facilities are provided to gym members by experienced and trained masseurs. Regular massage helps improve blood flow and relaxes muscles. Massage is an essential element of a fitness regimen by enhancing performance, reducing risks of injury and helping all bodily function at an optimal level.

NuForm

NuForm is an innovative breakthrough in the fitness industry that was developed by MihaBodytec and was introduced in Talwalkars in May 2012. The focus areas of this technique includes weight loss, development of muscles, relief from back aches, enhanced body circulation, improved mobility and body training. These are possible with the help of the electro-muscular stimulation by sending electrical impulses to targeted muscles. These sessions require a 20 minute commitment once a week and are apt for people who cannot draw time from their busy schedule. This weight loss programme was initially practised at 8 exercise studios that were set up in affluent areas of Tier-I cities

but with its rising popularity it is now being extended to cover most of the Talwalkars fitness centres.

Reduce

Reduce is a convenient weight loss programme that involves a strategic tweaking in the frequency, timing and quantity of the meals with no restrictions on ready-to-eat/cook food products. Customers are personally motivated by the trainers to ensure that protocols are followed without fail. The Reduce programme requires a weekly visit that can be provided through online platforms and at home upon request. This facility is provided in more than 100 Talwalkars centres.

Transform

Transform is a unique combination of NuForm and Reduce that effortlessly complement each other by restricting unwanted calorie intake and burning calories through an active form of exercise, equivalent to four to five days of gym workouts. This package provides members with holistic fitness by shedding excess weight and toning muscles effectively.

Talwalkars has introduced Transform in 10 fitness centres and is planning to roll this programme out nationally.

THE COMPANY HAS STRENGTHENED ITS PLACE BY CAPTURING A RISING SHARE OF THE INDIAN FITNESS MARKET AND HAS BACKED THAT BY OFFERING HIGH-MARGIN, VALUE-ADDED SERVICES.

Premium fitness centres

These fitness centres are positioned at the premium end of the fitness market comprising larger areas ranging from 8,000 to 12,000 sq. ft. and providing special services like Wi-Fi, juice bars, coffee shops, valet parking and merchandised products, among others. These premium centres provide facilities like full cardio section and are equipped with a dedicated strength and weight training zone. Internationally qualified fitness trainers, customised workout programmes, and state-of-the-art equipments help members achieve their fitness goals. Further, a dedicated team of nutrition experts are on hand to provide assistance.

This premiumisation strategy has led to a steady increment in the enrolment of members and boosted revenues. These fitness centres generate 30-40% higher annual membership fees as against that being charged by the regular

outlets of Talwalkars.

HiFi

Unlike a full-service Talwalkars Fitness Centre, a HiFi gym has an average area of about 2,500 sq. ft. with all the key facilities of a full-service gym, including imported fitness equipments, trained personal trainers, air-conditioning, generator back up and quality ambience. The HiFi gym format will enable the Company to penetrate Tier-III and Tier-IV locations.

Our strengths

First-mover advantage

Talwalkars is India's largest fitness service provider with a high brand recall value. The Company has grown organically over a span of eight decades on the strength of its robust cashflows and enjoys a wide national presence.

Balanced business model

Talwalkars follows a balanced business model that combines volume and margin growth across its various service offerings

that range from basic gym membership, personal training, weight loss programmes, spa facilities, aerobics and health counselling among others.

Geographic diversity

The pan-India presence gives Talwalkars a strong edge over competitors. The Company has a total of 150 fitness centres that are spread across key locations at 79 cities. Moreover, an increasing presence in Tier-II and Tier-III locations is helping capture the sharp growth in demand for fitness requirements emanating from these areas.

Widespread footprint

The Company enjoys the advantage of prime locations for its fitness centres combined with attractive long-term rental agreements.

Entrenched experience:

The intellectual capital of the Company in the fitness industry traces its origin over eight decades, thereby gaining invaluable insights into fitness techniques,

technologies and trends.

Diverse fitness solutions

Talwalkars provides a holistic fitness experience that ranges from standard workouts, Latin American dancing (Zumba), health diets (Reduce), weight loss programme (NuForm), health diet-cum-weight loss (Transform), TRX (suspension training), spa, massage, aerobics and also yoga.

Economies-of-scale

The Talwalkars chain of fitness centres allows it to enjoy economies-of-scale in the form of standardised gym formats, better bargaining power with suppliers, best-in-line management practices that can be replicated across centres located throughout India.

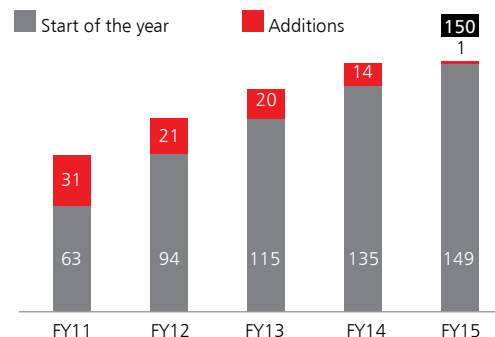
In-house training academy

The Company has its own 25,000 sq.ft. training academy at Thane that guarantees access to a skilled pool of gym trainers that helps improve the customer experience at its fitness centres.



TALWALKARS'
BUSINESS IS LARGELY
RECESSION-PROOF
AND OFFERS A
STEADY SOURCE OF
ANNUITY REVENUE.

Fitness centre rollout rate



Flexible payment options:

Talwalkars allows its customers the option to make payments in the form of EMI with varying options ranging from three months to nine months, increasing customer intake.

Key marketing initiatives

The marketing team at Talwalkars remains focused on maintaining excitement around the brand and develops innovative ideas and attractive schemes to reach out to new customers and widen the reach of the Company's brand and the newer services being launched. Towards the end the marketing team carried out the following noteworthy initiatives during the year 2014-15:

Participation in fitness events

- Talwalkars made its presence felt at the 6th World Body Building & Physique Sports Championship held in Goregaon, Mumbai.

- Promotional advertisements were inserted across all editions of the leading financial daily, website and micro-site on World Heart day as Talwalkars tied up with *Business Standard*.
- To raise awareness about breast cancer, Talwalkars tied up with Pinkathon with Zumba trainers performing before the run.

National marketing initiatives

- Initiated and successfully carried out the Loser's Challenge 2014 across all branches to foster a change in the daily lifestyle of the people. To help the members meet their objective, the participants were provided with a workout and diet routine. Ultimately, the participants were rewarded with a certificate to commemorate their performance.
- Launched Annual August discount scheme and

various other themes (New Year, Independence Day, Father's Day and Valentine's Day to name a few) that facilitated renewals and new recruitments as well.

- Launched Reduce in select regions all across India.
- Widened the reach of Transform across the Company to cater to the fitness needs of the people.

Promotions through social media

- Raised awareness regarding the importance of a healthy lifestyle through blog posts.
- Leveraged social networking sites to create hype around the Talwalkars brand.
- Embraced innovative promotional modes including Medianet articles.

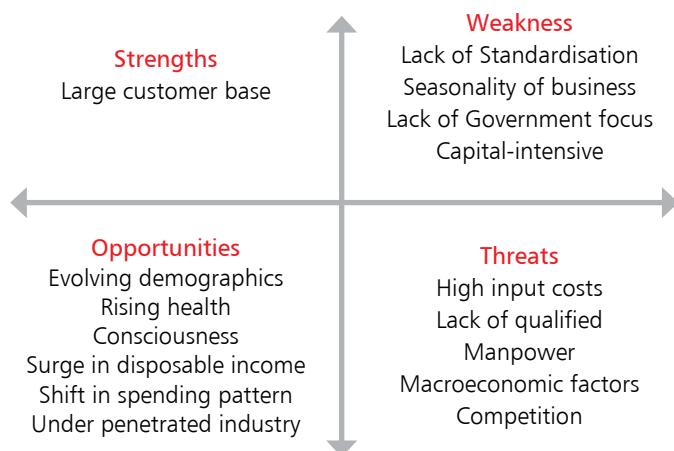
Human resources

The fitness industry suffers from a shortage of trained personnel. The Company has navigated past this

challenge by providing a dynamic work environment, inculcating a spirit of team work and consistently rewarding excellence. The Company has a workforce of over 4,000 professionals as of 31st March, 2015.

The Company has invested in creating a 25,000 sq.ft. residential training academy at Thane to produce skilled fitness trainers that enhance the quality of services offered at the fitness centres. Training programmes are designed and implemented after considering the latest trends in the fitness industry. Talwalkars has forged an alliance with Premier Training International to provide world-class training to its fitness professionals. The Company's remuneration policy is at par with industry peers and employer-employee relations have generally remained harmonious.

SWOT Analysis of the Indian Fitness and Slimming Industry



TALWALKARS IS INDIA'S LARGEST FITNESS SERVICE PROVIDER

WITH A HIGH BRAND RECALL VALUE. THE COMPANY HAS GROWN ORGANICALLY OVER A SPAN OF EIGHT DECADES ON THE STRENGTH OF ITS ROBUST CASHFLOWS AND TODAY ENJOYS A WIDE NATIONAL PRESENCE.

Risks and concerns

Economic risks

The Indian economy may be exposed to a slowdown in the event of a global economic downturn, leading to a cut in discretionary spending at the individual level. Such an event may affect discretionary spending by individuals on fitness leading to a decline in the Company's profitability. Talwalkars fitness centres cater to a wide demographic profile and are not expected to be significantly impacted by a slowdown in the Indian economy. The Company offers various value-added offerings at different price points that enable it to remain confident of retaining customers.

Regulatory risks

India remains a vastly under-penetrated market for the fitness industry with a penetration rate of just 0.13%. The incumbent Government has aligned its focus on raising the awareness of health, fitness and yoga among the Indian population. This augurs well for the overall Indian fitness space. Government policies such as the lowering of taxes on fitness equipment or indirect taxes shall provide an impetus to the industry.

Competition risks

The country's high growth

potential in the fitness and wellness industry has accelerated the entry of a wide range of international and domestic players. It is expected that India's growing young population will provide an expanding market for the fitness industry with improving quality of services and value offerings driving the market. The Company is one of the largest players in the Indian fitness space and has a wide geographic presence with its centres located across the country. The Company's offerings cater to a wide variety of price points with HiFi gyms catering to the affordable segment and premium fitness centres serving the higher end. A combination of all these initiatives will allow the Company to mitigate risks arising from increasing competition.

Personnel risks

The fitness industry in India is exposed to the shortage of skilled fitness instructors, leading to poor quality of services being offered at fitness centres. India also lacks accredited fitness supervisor training centres that further worsen the shortage of skilled personnel. Talwalkars has mitigated this risk by setting up its own residential fitness training academy that provides a ready pool of trained fitness instructors that are

employed by the Company at its fitness centres located across India.

Financial risks

The Company faces risks that arise from the non-availability of funding at competitive interest rates and from shortage of liquid funds. In order to mitigate such risks, the Company closely tracks its funding requirements and ensures the availability of sufficient liquid funds. Further, the Company's borrowings have been rated AA- by CARE and ICRA that is an indication of the healthy financial status of the Company and helps it avail financing at competitive terms from lenders.

Location risks

The Company may be exposed to risks arising from the selection of less favourable locations for its fitness centres leading to lower sales and higher expenses. The Company mitigates this risk by a thorough systematic assessment of fitness centre locations on various parameters. Locations are only selected after they pass through a list of filters that make it suitable for setting up a fitness centre. In addition to this, the Company also conducts several studies with respect to the demographic profile of the city and locality where the proposed centre is to be located.

Financial analysis (consolidated)

Talwalkars remained focused on its core business of running fitness centres across India and during the year 2014-15 bolstered its bouquet of products/ services offered at these centres.

The financial highlights for the year are as below:

Revenues

The Company reported an increase in y-o-y revenues by 21% from ₹2095 mn to ₹2526 mn on account of significant steps taken to raise revenues from the existing centres and increase the share of value added services. During the year the share of the value-added services in revenue increased to 23-24% from 22-23% in 2013-14.

Operating costs

The Company continued its focus on optimising costs and raising productivity across its fitness centres. During the year, operating costs at the fitness centre level were benchmarked with pre-established budgets and aberrations were scrutinised. This allowed us to reduce operating costs (decrease of 500 bps) to 45% of revenue.

EBITDA

The combination of rising revenues and a focused control on costs aided the

rise in EBITDA margins from 50% in 2013-14 to 56% in 2014-15. The EBITDA for the year 2014-15 stood at ₹1,254 mn.

Finance costs

The Company reaffirmed its solvency and financial rating during the year that led to a moderation in finance costs from 11.6% in 2013-14 to 11% in 2014-15.

Depreciation

Depreciation for FY2015 stood at ₹397 mn as against ₹242 mn in the previous year. The rise in depreciation was on account of the adoption of Schedule II of Companies Act, 2013 and capital expenditure incurred during the year on the opening of the premium gym, purchase of the land for the club project, investments in the value-added services like Transform, NuForm, Reduce, TRX, free floor activities, upgradation of the fitness centres, etc.

Profit after tax

Net profit grew significantly during FY2015 to ₹461 mn compared to FY2014 at ₹366 mn. Correspondingly, the EPS for the year was ₹17.60 per share as against ₹13.98 during the previous year.

Internal control systems

The Company has

established guidelines, defined authority levels, and implemented a seamless budgetary control system to ensure internal checks and control levels are operating as desired. The Company has implemented a state-of-the-art accounting system that further reinforces its internal control safeguards.

The internal audit function ensures that the system of recording and reporting, internal controls and checks, safeguarding and protection of assets in time are adequate and proper and as mandated by the Audit Committee. The Internal Auditor provides periodic reports to the Audit Committee.

The management and the Audit Committee of the Board review the findings and recommendations of the internal audit team and conduct reviews of the adequacy of internal control, internal audit, and management control systems so as to be in line with changing requirements.

Cautionary statement

This management discussion and analysis contains forward-looking statements that reflect our current views with respect to future events

and financial performance. Our actual results may differ materially from those anticipated in the forward-looking statements as a result of many factors.

Outlook

Talwalkars continues its dominant presence in the Indian health and fitness industry. The Company expects to continue establishing new fitness centres in areas where it is not present and expand the bouquet of services being offered in existing and new locations.

A growth in aspirations has spurred the demand for fitness centres across India and the Company believes that it is well-positioned to benefit from such trends. Remaining fit and healthy is increasingly being seen as a way of life by people across the country and this is expected to augur well for the Company.

NuForm, Reduce, and Transform gained considerable traction during the year and will be further expanded to cover the entire Talwalkars network. On the financial front, the Company expects to grow revenues as well as margins in 2015-16.

THE COMPANY EXPECTS TO CONTINUE ESTABLISHING NEW FITNESS CENTRES IN AREAS WHERE IT IS NOT PRESENT AND EXPAND THE BOUQUET OF SERVICES BEING OFFERED IN THE EXISTING AND NEW LOCATIONS.



DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present 12th Annual Report on business and operations with the audited financial statement for the year ended 31st March, 2015:

BUSINESS AND FINANCIAL HIGHLIGHTS

Financial Highlights

The highlights of your Company's stand-alone financial performance for the year ended 31st March, 2015 are summarised below:

Summarized Financial Results	₹ in millions	
	31.03.2015	31.03.2014
Total Income	2248.71	1808.73
Profit before interest, depreciation and taxation	1134.90	814.55
Financial Expenses	109.14	95.60
Depreciation	366.77	222.66
Exceptional Items	-	(0.28)
Profit before tax	658.99	496.01
Provision for taxation	211.68	119.37
Deferred Tax	17.47	42.63
Profit after tax but before minority interest	429.84	334.01
Share of minority interest	-	-
Profit after tax	429.84	334.01
Excess provision of Income Tax written back	-	-
Balance brought forward	852.10	618.82
Total available for appropriation	1281.94	952.83
Proposed Dividend	39.27	39.27
Corporate Dividend Tax	7.85	6.67
Debenture Redemption reserve	48.03	38.09
General Reserve	21.49	16.70
Depreciation adjusted	8.02	-
Arrears of depreciation	41.40	-
Balance carried forward	1115.88	852.10

Our Business

Your Company continues its leadership position as largest Fitness Chain with 150 health clubs across 79 cities and towns. For over 80 years, Talwalkars has dominated and led the gymming business in India, committing itself in making India, Healthy and Fit. It's USP is the pan-India health fitness chain providing world-class gymming experience, facilitated by the professional trainers. The Company has a state-of-the Art training Institute in Thane that focuses on creating industry-ready professionals to man its pan-India outlets.

Your Company works out for reversing the ever growing reality of lifestyle-induced illnesses and ensuring overall wellness of the members.

Review of Operations

Your Company provides the diverse fitness services apart from the standard gymming and fitness solutions like Zumba® programme, Spa, Massage, Aerobics, Yoga, Nuform, Reduce and Transform which is a unique combination of Nuform and Reduce through two formats "Talwalkars" (large size formats mostly located in Metros) and "HiFi" (low cost format located in non-metro locations.)

During the year, along with the financial performance on stand-alone basis, on a consolidated basis also, your Company's profit before tax as well as profit after tax and minority interest recorded a healthy growth of 26.48% and 25.93% respectively. The volume of the business also displayed an increase of 20.58% over last year.

No material changes affecting the financial position of the Company have occurred between the end of the financial year 2014-15 and the date of this Report, 7th May, 2015.

Dividend

Your Directors are pleased to recommend for the consideration of members, a dividend @15% (₹1.50/- per equity share of ₹10/-) for the year ended on 31st March, 2015. The dividend has been recommended in accordance with your Company's policy of balancing dividend pay-out with the requirement of funds for its growth plans.

Reserves

The Directors proposes to transfer ₹ 21.49 million (5% of the

net profit) to the General Reserve out of the amount available for appropriations and an amount of ₹1115.88 million is proposed to be retained in the Profit and Loss Account.

Deposits

During the year under review, Company has not accepted any fixed deposits from the public falling within the purview of Section 73 of the Companies Act, 2013 and rules framed there under.

Subsidiaries

Your Company's subsidiary model encompasses the full services fitness centres under the Talwalkars brand with each fitness outlet spread across around 4,000 – 5,000 sq. ft. largely targeting customers in Tier I and Tier II cities. This prudently structured model ensures lower capex outflows and cash flow accretive incomes through royalty receipt. This model also keeps open the buyout of the subsidiary fitness centre at any point of time through optimal valuations.

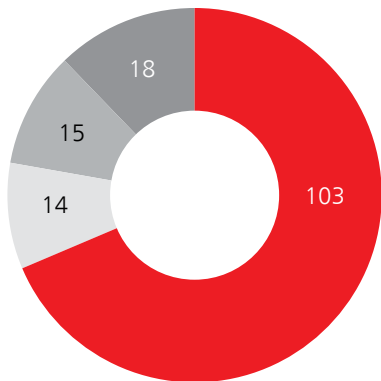
Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 and Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of the financial statement, performance and financial position of subsidiaries are given in Form AOC - 1 as Annexure - I to this Report. Your Company has the following subsidiaries:

- (1) **Denovo Enterprises Private Limited** with gym spread in Northern and Western India.
- (2) **Equinox Wellness Private Limited** with gym spread in Eastern India.
- (3) **Aspire Fitness Private Limited** with gym spread in Western India.
- (4) **Jyotsna Fitness Private Limited** with gym spread in Western India.
- (5) **Talwalkars Club Private Limited:** This wholly-owned Subsidiary is incorporated in March, 2014 to own, lease and manage recreational/ lifestyle clubs by providing all kinds of sports, games, recreational and hospitality facilities.

The Company has framed a policy for determining material subsidiaries, which has been uploaded on the Company's website (web link: <http://talwalkars.net/pdf/Policy%20for%20Material%20Subsidiary.pdf>).

HiFi

Talwalkars is present across the horizontal as well as the vertical value chain by not only operating the full service “Talwalkars” brand but also by operating the cost effective HiFi brand (short for Healthy India Fit India) of fitness centres which are largely located in Tier II and III towns and appeal to this segment. All gyms under this format are franchised.



■ Owned ■ Subsidiary ■ Franchise and Licensed ■ HiFi

Management Discussion and Analysis

A detailed Management Discussion and Analysis forms part of this Annual Report.

Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, during the year, the Company should have spent ₹7.55 millions on CSR activities. The actual spend was ₹2.51 millions. The Company broadly undertakes the activities related to health awareness, education, medical check-ups, promotion of Art and culture etc. The Board plans to increase CSR expenses especially in the area of health awareness. Details of CSR activities are given in Annexure - II to this Report. The policy on CSR as approved by the Board has been uploaded on the Company’s website www.talwalkars.net.

DIRECTORS’ RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis; and
- The Directors laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS, BOARD COMMITTEE, KMP AND REMUNERATION

Directors

Your Company has thirteen Directors including six Independent Directors and a woman Director in accordance with Corporate Governance norms of the Listing Agreement with the Stock Exchanges and the provisions of the Companies Act, 2013.

Independent Directors of your Company have given declaration confirming their independence and fair conduct in performance as prescribed in both Companies Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Madhukar Talwalkar and Mr. Vinayak Gawande, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Resolutions for the re-appointment will be placed for your approval at the

ensuing Annual General Meeting.

Ten Board meetings were held during the Financial Year 2014-15 with requisite quorum present for each of them, the details of which are given in the Corporate Governance Report.

Changes in Directorships

Pursuant to resignation of Mr. Madhukar Talwalkar from the post of Executive Chairman w.e.f. 17th November, 2014, Mr. Girish Talwalkar, Whole-time Director has been appointed as the Chairman of your Company. Mr. Madhukar Talwalkar has continued to be part of the promoter group of the Board of Directors of the Company.

In terms of Section 149 and 161 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Mrs. Mrunalini Deshmukh has been appointed as an Additional Director of Company w.e.f. 24th March, 2015. In terms of Section 161, she holds office only upto the ensuing Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 in writing from a member along with the requisite deposit proposing her candidature for the office of Director of the Company. Resolution seeking approval of the Members for her appointment as Director of the Company, has been incorporated in the Notice of the ensuing Annual General Meeting along with brief details about her.

Board Evaluation

In compliance with the provisions of Section 134(3)(p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, The Board carried out an annual evaluation of its own performance and individual directors. It also evaluated the performance of its Committees. The evaluation inter alia covered different aspects viz. composition of the Board and its Committees, qualifications, performance, inter-personal skills, submissions done by the Director in varied disciplines related to the Company's business etc.

Company's Policy on Directors' Appointment and Remuneration

Your Company believes that an effective Board is a prerequisite for growth of an organization. Also, though Remuneration

or Emoluments is theoretically defined as the salary or pay for the work done, your Company looks at it as a reward for the efforts and initiatives. The Company has a well defined Remuneration Policy for the Directors and Employees. The Nomination and Remuneration Committee of the Company, has carefully balanced the qualification, positive attributes and independence of a Director with the remuneration/compensation given with a due regard to the motivation and encouragement to the Directors and employees to put their best foot forward. The Committee has also formulated the evaluation criteria for performance evaluation of independent directors and the Board adopted a report on the same and also devised a policy on Board diversity.

Audit Committee

Audit Committee of your Company comprises of Mr. Abhijeet Patil (Independent Director and Chairman of the Committee), Dr. Avinash Phadke (Independent Director and Member of the Committee) and Mr. Anant Gawande (Whole-time Director & CFO and Member of the Committee). Your Directors highly value the suggestions of the Audit Committee and have never turned down any of it. The functions performed by the Audit Committee and the particulars of meetings held and attendance thereat are given in the Corporate Governance Report.

Related Party Transactions

During the year under review, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis. No related party transaction was in conflict with the interests of the Company. All Related Party Transactions were placed before the Audit Committee for its review and approval. These transactions were entered as per the Company's Policy on Related Party transactions. Your Company has not entered into materially significant related party transactions with any of its related parties. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website [www.talwalkars.net](http://talwalkars.net) (web link : <http://talwalkars.net/pdf/Policy%20on%20Related%20Party%20Transactions.pdf>).

Risk Management

Your Company has constituted Risk Management Committee to

identify and mitigate various risks faced by the Company from time to time. The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report.

Particulars of loans, guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statement forming part of this Annual Report and the same were given for the principal business activities.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy and Technology absorption are not applicable to the Company.

Foreign Exchange earnings and Outgo:

Particulars	₹ in millions	
	2014-15	2013-14
Total foreign exchange earnings	–	0.64
Total foreign exchange outgo	5.08	66.69

Vigil Mechanism/ Whistle blower policy

Your Company promotes ethical behavior in its business activities and is progressive in designing a mechanism of

reporting the grievances, illegal or unethical behavior or any other genuine concern by any employee of the Company. The Company takes utmost care to maintain the confidentiality of those, reporting the concerns/problems/violations and such people are not subjected to any discriminatory practice. Whistleblower policy on the same is uploaded on Company's website www.talwalkars.net

Particulars of Employees

Pursuant to Section 197 of the Companies Act, 2013 (Act), read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, None of the employees of the Company was in receipt of the remuneration during the financial year 2014-15, in excess of ₹60 lakhs per year or ₹5 lakhs per month or in excess of the remuneration drawn by the Managing Director or Whole-time Director or Manager or holds by himself or along with his spouse and dependent children two percent or more of the equity shares of the Company.

The statement of particulars of appointment and remuneration of managerial personnel pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

(i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2014-15, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2014-15:

Sr. No.	Name of Executive Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Girish Talwalkar	Executive Chairman	3.49 : 1	(25.00)
2	Madhukar Talwalkar	Whole-time Director	4.65 : 1	–
3	Vinayak Gawande	Whole-time Director	4.65 : 1	–
4	Prashant Talwalkar	Managing Director & CEO	4.65 : 1	–
5	Anant Gawande	Whole-time Director & CFO	4.65 : 1	–
6	Harsha Bhatkal	Whole-time Director	4.65 : 1	–
7	Avanti Sankav	Company Secretary	Not Applicable	10.96

- (ii) The percentage increase in the median remuneration of Employees for the financial year ended 31st March, 2015 was 6.93%.
- (iii) Permanent employees on the roll as on 31st March, 2015:17.
- (iv) The explanation on the relationship between average increase in remuneration and Company performance: PAT for the year ended 31st March, 2015 increased by 28.69% and the median remuneration by 6.93%
- (v) The comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: PAT for the year ended 31st March, 2015 increased by 28.69% and the remuneration of the Key Managerial Personnel by 10.96%.
- (vi) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sr. No.	Particulars	As at 31 st March, 2015	As at 31 st March, 2014
1.	Market Capitalisation	BSE ₹9728.82 millions	BSE ₹4213.81 millions
		NSE ₹9787.72 millions	NSE ₹4221.67 millions
2.	Price Earnings Ratio	BSE 22.63	BSE 12.61
		NSE 22.77	NSE 12.64

The Company came with an Initial Public Offer in April, 2010 at the price of ₹128/- per equity share at premium of ₹118/- of face value ₹10/- each. As on 31st March, 2015, the closing price of the Company's share was ₹371.60 on BSE Limited (increase of 290% over the share price at its last public offer) and ₹373.85 on The National Stock Exchange of India Limited (increase of 290% over the share price at its last public offer).

- (vii) During the financial year 2014-15, there was an average 8.51% increase in the salaries of employees other than the managerial personnel. Remuneration of the key managerial personnel rose by 10.96% in line with the volume of the Company's business and profits earned by it and their responsibilities.

(viii) The key parameters for any variable component of remuneration availed by the directors: No variable component of remuneration is availed by the Directors.

(ix) During the year ended, 31st March, 2015, the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the financial year was 0.82:1.

(x) We hereby affirm that the remuneration paid is as per the remuneration policy of the Company.

AUDITORS

Statutory Auditor

At the 11th Annual General Meeting (AGM), the Members appointed M. K. Dandeker & Co., Chartered Accountants (Firm Registration Number: 0006795), as the Statutory Auditors of the Company, for a period of two years till the conclusion of the 13th AGM, subject to the ratification by Members at the 12th AGM. Pursuant to the provisions of Sections 139(1) and 141 of the Companies Act, 2013 (Act), the Company has received a certificate from M.K. Dandeker & Co., certifying that if they are appointed as Auditors, their appointment would be as per the conditions prescribed by the said Sections. Pursuant to the provisions of Section 139 of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, you are requested to ratify the appointment of M.K. Dandeker & Co, as Statutory Auditors of the Company, from the conclusion of the 12th AGM till the conclusion of the 13th AGM or any adjournment thereof. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Geeta Canabar & Associates, Practicing Company Secretary, have been appointed as the Secretarial Auditor of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2015 is given in Annexure - III to this report. There is no qualification, reservation or adverse remark in the said Report.

Extract of the Annual Return

The extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 in Form MGT-9 is presented here under in Annexure - IV.

Corporate Governance

The Report on Corporate Governance as required under the Listing Agreement forms part of and is annexed to this Report. A certificate from Practicing Company Secretary on compliance with Corporate Governance requirements along with a certificate from the CEO and CFO as required under Clause 49 of the Listing Agreement are annexed with this Report.

Acknowledgement

Your Directors take this opportunity to place on record its appreciation of sincere efforts put in by the employees of the Company in making the Company excel in the realm of health and fitness.

Your Directors sincerely thank all the investors, members, bankers, financial institutions, business associates, regulatory

and government authorities for their continued support, assistance and valuable co-operation to set a brand 'Talwalkars' with difference.

For and on behalf of the Board
Talwalkars Better Value Fitness Limited

Prashant Talwalkar
Managing Director & CEO
DIN: 00341715

Anant Gawande
Whole-time Director & CFO
DIN: 00324734

Date: 7th May, 2015
Place: Mumbai

ANNEXURE - I TO THE DIRECTORS' REPORT

Statement containing salient features of the financial statement of subsidiaries

FORM AOC - 1

[Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

₹ in millions

Subsidiaries	Denovo Enterprises Private Limited	Equinox Wellness Private Limited	Aspire Fitness Private Limited	Jyotsna Fitness Private Limited	Talwalkars Club Private Limited
Reporting period	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015
Share capital	10.00	6.00	10.00	0.20	0.10
Reserves & surplus	174.88	6.22	32.51	22.51	9.72
Total assets	315.59	21.84	109.51	133.82	395.56
Total Liabilities	130.71	9.61	67.00	111.11	385.74
Investments (other than in Subsidiaries & jointly controlled entities)	-	-	-	0.50	-
Turnover	75.39	20.25	108.68	42.47	15.00
Profit before taxation	22.49	8.26	5.83	18.27	14.92
Provision for taxation	4.70	2.59	0.10	3.23	5.20
Profit after taxation	17.79	5.68	5.73	15.04	9.72
Proposed Dividend	-	-	-	-	-
% of shareholding	50.10%	33.33%	50.001%	50.10%	99.9%

* Talwalkars Better Value Fitness Limited holds 50.10% of the paid-up capital of Denovo Enterprises Private Limited which in turn holds 66.67% of the paid-up capital of Equinox Wellness Private Limited.

For and on behalf of the Board

Girish Talwalkar	Executive Chairman
Prashant Talwalkar	Managing Director & CEO
Vinayak Gawande	Whole time Director
Anant Gawande	Whole time Director & CFO
Manohar Bhide	Independent Director
Avinash Phadke	Independent Director
Mohan Jaykar	Independent Director
Raman Maroo	Independent Director
Abhijeet Patil	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

Place : Mumbai
Date: 7th May, 2015

ANNEXURE - II TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) Initiatives

[Pursuant to Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
Promoting health care, providing/promoting education or creating awareness regarding health care, protection and promotion of art and culture etc.
(Weblink to Company's CSR Policy: <http://talwalkars.net/pdf/CSR%20Policy.pdf>).
2. The Composition of the CSR Committee.
3. Average net profit of the Company for last three financial years: ₹377.39 millions
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹7.55 millions
5. Details of CSR spent during the financial year:
 - a. Total amount to be spent for the financial year: ₹7.55 millions.
 - b. Amount unspent: ₹5.04 millions.
 - c. Manner in which the amount spent during the financial year is detailed below:

Name of Member	Designation	Position
Mr. Raman Maroo	Independent Director	Chairman
Mr. Vinayak Gawande	Whole-time Director	Member
Mr. Girish Talwalkar	Whole-time Director	Member

₹ in millions

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Cultural activity	Protection of national heritage, art, promotion and development of traditional arts.	(1) Local area (2) State of Maharashtra	2.43	0.56	0.56	Direct
2	Promotion of education	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled.	(1) Local area (2) State of Maharashtra	2.12	0.37	0.37	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
3	Healthcare	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation	(1) Local area (2) State of Maharashtra	3.00	1.58	1.58	Direct
TOTAL				7.55	2.51	2.51	

6. The actual spend of the Company on CSR was less than 2% of the average net profit for the last three years. The Company has plans to increase the expenses in the coming years especially in the areas of health care and awareness and also to promote art and culture.

7. The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For Talwalkars Better Value Fitness Limited

Prashant Talwalkar
Managing Director & CEO
DIN: 00341715

Raman Maroo
Chairman, CSR Committee
DIN: 00169152

ANNEXURE - III TO THE DIRECTORS' REPORT

Secretarial Audit Report for the financial year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
TALWALKARS BETTER VALUE FITNESS LIMITED
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai- 400026

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TALWALKARS BETTER VALUE FITNESS LIMITED (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules madethereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under

the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the Company during the audit period).
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the Company during the audit period).
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the audit period).
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the Company during the audit period) and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the audit period).

We further report that, the Company has complied with the following laws applicable specifically to the Company:

- a) Indian Copyright Act, 1957 and rules made thereunder;
- b) The Electricity Act, 2003 and rules made thereunder;
- c) Legal Metrology Act, 2009 and rules made thereunder;
- d) Food Safety Standards Authority of India, 2006 and rules made thereunder;
- e) The Contract Labour (Regulation and Abolition) Act, 1970 & Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) (not notified hence not applicable during the audit period).
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock exchange of India limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting(s) and for meaningful participation at the meeting(s).

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period

- a) the Company has twice issued secured, taxable, redeemable, non-convertible debentures (NCDs) of ₹ 25 crores each, aggregating to ₹ 50 crores, within the borrowing limit under Section 180(1)(c) of the Companies Act, 2013.
- b) the Company has redeemed non- convertible debentures (NCDs) of ₹5 crores and ₹25 crores, aggregating to ₹30 crores.

For **Geeta Canabar & Associates**
Company Secretary

Geeta Canabar
Proprietor
CP No. 8330

Date: 7th May, 2015
Place: Mumbai

Note : This report is to be read with our letter which is annexed as 'ANNEXURE - A' and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
TALWALKARS BETTER VALUE FITNESS LIMITED
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai- 400 026

Our report is to be read along with this letter:

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Geeta Canabar & Associates**
Company Secretary

Geeta Canabar
Proprietor

Date: 7th May, 2015
Place: Mumbai

CP No. 8330

ANNEXURE - IV TO THE DIRECTORS REPORT

Extract of Annual Return As on the year ended 31st March, 2015

FORM NO. MGT - 9

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014].

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L92411MH2003PLC140134
ii)	Registration Date	24 th April, 2003
iii)	Name of the Company	Talwalkars Better Value Fitness Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	801-813 Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026 Tel No.: 022- 6612 6300, Fax No.: 022- 6612 6363 Email: ig@talwalkars.net
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 Tel No.: 022- 2594 6970, Fax No.: 022- 2596 2691 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Health and Fitness Services and Gymming Business	Group – 932, Class - 9329, Sub-class – 93290	100%

iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Aspire Fitness Private Limited 801, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026	U85100MH2009PTC197625	Subsidiary	50.001%	2(87)
2	Denovo Enterprises Private Limited 1 st Floor, Unit No.21, Navyug Industrial Estate MIDC Cross Road, J.B. Nagar, Andheri (East), Mumbai 400 059	U55100MH2005PTC151128	Subsidiary	50.10%	2(87)

Sr. No	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
3	Equinox Wellness Private Limited Unit No.21, Navyug Industrial Estate MIDC Cross Road, J.B. Nagar, Andheri (East), Mumbai - 400 059	U85199MH2004PTC211696	Subsidiary	* 33.33%	2(87)
4	Jyotsna Fitness Private Limited 301, 3 rd Floor, Nirman Vyapar Kendra, Above Hotel Navratna, Sector 17, Vashi, Navi Mumbai - 400 703	U85190MH2011PTC219468	Subsidiary	50.10%	2(87)
5	Talwalkars Club Private Limited 801, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai - 400 026	U93000MH2014PTC254851	Subsidiary	99.99%	2(87)

* Talwalkars Better Value Fitness Limited holds 50.10% of the paid-up capital of Denovo Enterprises Private Limited which in turn holds 66.67% of the paid-up capital of Equinox Wellness Private Limited.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	14,333,240	–	14,333,240	54.75	11,333,128	–	11,333,128	43.29	-11.46
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	7,683	–	7,683	0.03	7,683	–	7,683	0.03	–
e) Banks/ Financial Institutions	–	–	–	–	–	–	–	–	–
f) Any Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-Total (A)(1)	14,340,923	–	14,340,923	54.78	11,340,811	–	11,340,811	43.32	-11.46
2) Foreign									
a) NRIs- Individual	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	14,340,923	-	14,340,923	54.78	11,340,811	-	11,340,811	43.32	-11.46
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,717,712	-	1,717,712	6.56	2,529,238	-	2,529,238	9.66	3.10
b) Banks/Financial Institutions	296,075	-	296,075	1.13	62,412	-	62,412	0.24	-0.89
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	2,723,627	-	2,723,627	10.40	3,007,914	-	3,007,914	11.49	1.09
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	4,737,414	-	4,737,414	18.09	5,599,564	-	5,599,564	21.39	3.30

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	2,053,056	–	2,053,056	7.84	3,273,665	–	3,273,665	12.50	4.66
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 Lakh	2,126,112	10,236	2,136,348	8.16	1,919,381	10,236	1,929,617	7.37	-0.79
ii) Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	2,342,315	94,488	2,436,803	9.31	2,685,221	–	2,685,221	10.26	0.95
c) Any Others (Specify)									
i) Clearing Member	205,043	–	205,043	0.79	526,961	–	526,961	2.01	1.22
ii) Non-Resident Indians (Repat)	220,636	–	220,636	0.84	506,101	–	506,101	1.93	1.09
iii) Non-Resident Indians (Non-Repat)	46,778	–	46,778	0.18	151,281	–	151,281	0.58	0.40
iv) Trusts	3,887	–	3,887	0.01	33,690	–	33,690	0.13	0.12
v) Foreign Portfolio Investor (Corporate)	–	–	–	–	133,977	–	133,977	0.51	0.51
Sub-Total (B)(2)	6,997,827	104,724	7,102,551	27.13	9,230,277	10,236	9,240,513	35.29	8.16
Total Public Shareholding (B)=(B)(1)+(B)(2)	11,735,241	104,724	11,839,965	45.22	14,829,841	10,236	14,840,077	56.68	11.46
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	26,076,164	104,724	26,180,888	100.00	26,170,652	10,236	26,180,888	100.00	–

ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Girish Talwalkar	2,864,280	10.94	–	2,864,280	10.94	–	–
2	Madhukar Talwalkar	2,832,280	10.82	–	192,168	0.73	–	-10.09
3	Vinayak Gawande	1,920,200	7.33	–	1,920,200	7.33	–	–
4	Prashant Talwalkar	2,876,080	10.99	–	2,876,080	10.99	–	–
5	Harsha Bhatkal	1,920,200	7.33	–	1,560,200	5.96	–	-1.37
6	Anant Gawande	1,920,200	7.33	–	1,920,200	7.33	–	–
7	Better Value Leasing and Finance Ltd.	7,683	0.03	–	7,683	0.03	–	–
	Total	14,340,923	54.78	–	11,340,811	43.32	–	-11.46

iii) Change in Promoters Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	14,340,923	54.78	14,340,923	54.78
	Date wise increase /decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (eg. Allotment/ transfer bonus /sweat equity etc.)				
	Decrease in Shareholding (Sale of Shares)				
1.	Mr. Madhukar Talwalkar (Whole-time Director)				
	14.11.2014 (Open Market Sale)	-250,000	0.95	14,090,923	53.82
	18.11.2014 (Open Market Sale)	-250,000	0.95	13,840,923	52.87
	20.11.2014 (Open Market Sale)	-125,000	0.48	13,715,923	52.39
	21.11.2014 (Open Market Sale)	-125,000	0.48	13,590,923	51.91
	26.11.2014 (Open Market Sale)	-109,854	0.42	13,481,069	51.49
	27.11.2014 (Open Market Sale)	-40,146	0.15	13,440,923	51.34
	28.11.2014 (Open Market Sale)	-100,000	0.38	13,340,923	50.96
	02.12.2014 (Open Market Sale)	-100,000	0.38	13,240,923	50.57
	05.12.2014 (Open Market Sale)	-300,000	1.15	12,940,923	49.43
	08.12.2014 (Open Market Sale)	-100,000	0.38	12,840,923	49.05

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	15.01.2015 (Open Market Sale)	-200,000	0.76	12,640,923	48.28
	20.01.2015 (Open Market Sale)	-100,000	0.38	12,540,923	47.90
	23.01.2015 (Open Market Sale)	-100,000	0.38	12,440,923	47.52
	28.01.2015 (Open Market Sale)	-120,112	0.46	12,320,811	47.06
	13.02.2015 (Open Market Sale)	-50,000	0.19	12,270,811	46.87
	20.02.2015 (Open Market Sale)	-150,000	0.57	12,120,811	46.30
	24.02.2015 (Open Market Sale)	-50,000	0.19	12,070,811	46.11
	25.02.2015 (Open Market Sale)	-100,000	0.38	11,970,811	45.72
	27.02.2015 (Open Market Sale)	-20,000	0.08	11,950,811	45.65
	02.03.2015 (Open Market Sale)	-100,000	0.38	11,850,811	45.27
	03.03.2015 (Open Market Sale)	-99,260	0.38	11,751,551	44.89
	04.03.2015 (Open Market Sale)	-740	0.00	11,750,811	44.88
	19.03.2015 (Open Market Sale)	-49,835	0.19	11,700,976	44.69
	24.03.2015 (Open Market Sale)	-165	0.00	11,700,811	44.69
2.	Mr. Harsha Bhatkal (Sale of Shares)				
	26.05.2014 (Open Market Sale)	-100,000	0.38	11,600,811	44.31
	28.05.2014 (Open Market Sale)	-50,000	0.19	11,550,811	44.12
	29.05.2014 (Open Market Sale)	-50,000	0.19	11,500,811	43.93
	30.05.2014 (Open Market Sale)	-50,000	0.19	11,450,811	43.74
	02.06.2014 (Open Market Sale)	-50,000	0.19	11,400,811	43.55
	03.06.2014 (Open Market Sale)	-30,000	0.11	11,370,811	43.43
	04.06.2014 (Open Market Sale)	-30,000	0.11	11,340,811	43.32
	At the end of the year	11,340,811	43.32	11,340,811	43.32

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs):

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding at the end of the year 31.03.2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SmallCap World Fund, Inc.	1,694,000	6.47	1,694,000	6.47
2	Reliance Capital Trustee Co Ltd-A/C Reliance Monthly Income Plan	1,300,614	4.97	933,816	3.57
3	Laxmi Shivanand Mankekar and Kedar Shivanand Mankekar	1,573,520	6.01	1,573,520	6.01
4	Bajaj Allianz Life Insurance Company Limited	984,980	3.76	1,097,233	4.19
5	American Funds Insurance Series Global Small Capitalisation Fund	650,000	2.48	650,000	2.48
6	ICICI Lombard General Insurance Company Ltd.	300,001	1.15	280,001	1.07
7	Franklin India Smaller Companies Fund	300,000	1.15	657,119	2.51
8	Axis Bank Limited	285,632	1.09	60,603	0.23
9	Progressive India Fund	168,557	0.64	-	-
10	Prasad R. Deshpande and Meghana Prasad Deshpande	158,725	0.61	158,725	0.61
11	L and T Mutual Fund Trustee Ltd. - L and T India Special Situations Fund	-	-	640,553	2.45
12	Long Term India Fund	-	-	326,145	1.25

Note: The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Names	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (eg. allotment/transfer/bonus/sweat equity etc.)					
1	Mr. Girish Talwalkar (Executive Chairman)	2,864,280	10.94	2,864,280	10.94
	At the beginning of the year				
	At the end of the year	2,864,280	10.94	2,864,280	10.94
2.	Madhukar Talwalkar (Whole-time Director)	283,2280	10.82	2,832,280	10.82
	At the beginning of the year				
	14.11.2014 (Open Market Sale)	-250,000	0.95	2,582,280	9.86
	18.11.2014 (Open Market Sale)	-250,000	0.95	2,332,280	8.91
	20.11.2014 (Open Market Sale)	-125,000	0.48	2,207,280	8.43
	21.11.2014 (Open Market Sale)	-125,000	0.48	2,082,280	7.95

Sr. No.	Names	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	26.11.2014 (Open Market Sale)	-109,854	0.42	1,972,426	7.53
	27.11.2014 (Open Market Sale)	-40,146	0.15	1,932,280	7.38
	28.11.2014 (Open Market Sale)	-100,000	0.38	1,832,280	7.00
	02.12.2014 (Open Market Sale)	-100,000	0.38	1,732,280	6.62
	05.12.2014 (Open Market Sale)	-300,000	1.15	1,432,280	5.47
	08.12.2014 (Open Market Sale)	-100,000	0.38	1,332,280	5.09
	15.01.2015 (Open Market Sale)	-200,000	0.76	1,132,280	4.32
	20.01.2015 (Open Market Sale)	-100,000	0.38	1,032,280	3.94
	23.01.2015 (Open Market Sale)	-100,000	0.38	932,280	3.56
	28.01.2015 (Open Market Sale)	-120,112	0.46	812,168	3.10
	13.02.2015 (Open Market Sale)	-50,000	0.19	762,168	2.91
	20.02.2015 (Open Market Sale)	-150,000	0.57	612,168	2.34
	24.02.2015 (Open Market Sale)	-50,000	0.19	562,168	2.15
	25.02.2015 (Open Market Sale)	-100,000	0.38	462,168	1.77
	27.02.2015 (Open Market Sale)	-20,000	0.08	442,168	1.69
	02.03.2015 (Open Market Sale)	-100,000	0.38	342,168	1.31
	03.03.2015 (Open Market Sale)	-99,260	0.38	242,908	0.93
	04.03.2015 (Open Market Sale)	-740	0.00	242,168	0.92
	19.03.2015 (Open Market Sale)	-49,835	0.19	192,333	0.73
	24.03.2015 (Open Market Sale)	-165	0.00	192,168	0.73
	At the end of the year	192,168	0.73	192,168	0.73
3	Vinayak Gawande (Whole-time Director) At the beginning of the year	1,920,200	7.33	1,920,200	7.33
	At the end of the year	1,920,200	7.33	1,920,200	7.33
4	Prashant Talwalkar (Managing Director & CEO) At the beginning of the year	2,876,080	10.99	2,876,080	10.99
	At the end of the year	2,876,080	10.99	2,876,080	10.99
5	Harsha Bhatkal (Whole-time Director) At the beginning of the year	1,920,200	7.33	1,920,200	7.33
	26.05.2014 (Open Market Sale)	-100,000	0.38	1,820,200	6.95
	28.05.2014 (Open Market Sale)	-50,000	0.19	1,770,200	6.76
	29.05.2014 (Open Market Sale)	-50,000	0.19	1,720,200	6.57
	30.05.2014 (Open Market Sale)	-50,000	0.19	1,670,200	6.38
	02.06.2014 (Open Market Sale)	-50,000	0.19	1,620,200	6.19

Sr. No.	Names	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	03.06.2014 (Open Market Sale)	-30,000	0.11	1,590,200	6.07
	04.06.2014 (Open Market Sale)	-30,000	0.11	1,560,200	5.96
	At the end of the year	1,560,200	5.96	1,560,200	5.96
6	Anant Gawande (Whole-time Director & CFO)	1,920,200	7.33	1,920,200	7.33
	At the beginning of the year				
	At the end of the year	1,920,200	7.33	1,920,200	7.33
7	Manohar Bhide (Independent Director)	6,296	0.02	6,296	0.02
	At the beginning of the year				
	At the end of the year	6,296	0.02	6,296	0.02
8	Avanti Sankav (Company Secretary & Compliance Officer)	1	0.00	1	0.00
	At the beginning of the year				
	At the end of the year	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in millions

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,837.37	101.91	-	1,939.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.73	-	-	12.73
Total (i + ii + iii)	1,850.10			1,952.01
Change in Indebtedness during the financial year				
• Addition	2,590.36	663.70	-	3,254.06
• Reduction	1,831.09	765.24	-	2,596.33
Net Change	759.27	(101.54)	-	657.73
Indebtedness at the end of the financial year				
i) Principal Amount	2,613.41	0.37	-	2,613.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	36.61	-	-	36.61
Total (i + ii + iii)	2,650.02	0.37	-	2,650.39

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in millions

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
		Girish Talwalkar	Madhukar Talwalkar	Vinayak Gawande	Prashant Talwalkar	Harsha Bhatkal	Anant Gawande	
1.	Gross salary	3.15	4.20	4.20	4.20	4.20	4.20	24.15
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.15	4.20	4.20	4.20	4.20	4.20	24.15
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961							
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961							
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-	-
	- as % of profit							
	- Others, specify...							
5.	Others, please specify	-	-	-	-	-	-	-
	Total (A)	3.15	4.20	4.20	4.20	4.20	4.20	24.15
	Ceiling as per the Act	₹ 44.45 million (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.)						

B. Remuneration to other directors:

₹ in millions

Sr No	Particulars of Remuneration	Name of Directors						Total Amount
		Manohar Bhide	Avinash Phadke	Raman Maroo	Mohan Jayakar	Abhijeet Patil	Dinesh Afzulpurkar	
1	Independent Directors							
	- Fee for attending board committee meetings	0.09	0.11	0.05	0.02	0.21	0.03	0.49
	- Commission							
	- Others, please specify							
	Total (1)							
2.	Other Non-Executive						Mrunalini Deshmukh	
	- Fee for attending board/ committee meetings	-	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-	-
	- Other, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.09	0.11	0.05	0.02	0.21	0.03	0.49
	Total Managerial Remuneration							0.49
	Overall Ceiling as per the Act	₹ 4.44 million (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 (197(1)(ii)) or ₹ 1 lakh per meeting of the Board or Committee thereof (197(5)Rule 4))						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in millions

Sl. no.	Particulars of Remuneration	Key Managerial Personnel Company Secretary
1.	Gross salary	0.90
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	
	- Others, specify...	
5.	Others, please specify	-
	Total	0.90

Remuneration paid to Mr. Prashant Talwalkar, Managing Director and CEO and Mr. Anant Gawande, Whole-time Director and CFO is covered above in Part VI-B

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

For Talwalkars Better Value Fitness Limited

Prashant Talwalkar
Managing Director and CEO
 DIN: 00341715

Anant Gawande
Whole-time Director and CFO
 DIN: 00324734



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Corporate governance essentially involves balancing the interests of many stakeholders in a Company – these include its shareholders, management, customers, suppliers, financiers, government and the community. The Board of Talwalkars Better Value Fitness Limited (TBVF) regularly monitors the effectiveness of the Company's governance practices and oversees the process of disclosure and communications. The Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company. The Board of TBVF truly believes that efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the Business of the organization.

Board of Directors

The strength of the Board of Directors is thirteen. It comprises of six Executive Promoter Directors including a Managing Director & Chief Executive Officer, Whole-time Director & Chief Financial Officer, six Non-Executive Independent Directors and a Woman

Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered with the Stock Exchanges.

Meetings of Board of Directors

During the year, ten board meetings were held on 10th April, 2014, 8th May, 2014, 4th July, 2014, 25th July, 2014, 7th August, 2014, 12th September, 2014, 6th November, 2014, 17th November, 2014, 5th February, 2015 and 24th March, 2015 with a time gap between two meetings not exceeding four months. Adequate notice along with agenda and its notes are given to each Board and Committee Member. The Board reviews the reports of compliance with all laws applicable to the Company. All the information required for taking informed decisions regarding the operations of the Company, is made available to the Board.

The attendance of each Director at the Board Meeting during the year and at the last Annual General Meeting along with number of other Directorships, Committee Chairmanships/ Memberships is tabulated below:

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 18.09.2014	No. of Directorship in all other Companies*	Committee Membership/ Chairmanship in all Companies**	
					Member	Chairman
Mr. Girish Talwalkar	EC	09	Yes	Nil	01	Nil
Mr. Madhukar Talwalkar	WTD	08	Yes	Nil	Nil	Nil
Mr. Vinayak Gawande	WTD	10	Yes	01	Nil	Nil
Mr. Prashant Talwalkar	MD & CEO	10	Yes	Nil	Nil	Nil
Mr. Harsha Bhatkal	WTD	08	Yes	01	Nil	Nil
Mr. Anant Gawande	WTD & CFO	08	Yes	01	02	Nil
Mr. Manohar Bhide	ID	08	Yes	02	01	02
Mr. Raman Maroo	ID	06	No	01	Nil	Nil
Mr. Mohan Jayakar	ID	01	No	04	01	01
Dr. Avinash Phadke	ID	09	No	01	01	Nil
Mr. Abhijeet Patil	ID	10	Yes	Nil	Nil	02
Mr. Dinesh Afzulpurkar	ID	08	Yes	Nil	Nil	Nil
Mrs. Mrunalini Deshmukh	AD	00***	N.A	01	Nil	Nil

EC – Executive Chairman, MD & CEO – Managing Director & Chief Executive Officer, WTD & CFO – Whole-time Director & Chief Financial Officer, WTD – Whole-time Director, ID – Independent Director, AD – Additional Director.

Note:

* Directorships across all the Companies excluding private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

** Chairmanship and Membership of Audit Committee and Stakeholders’ Relationship Committee across all the public companies excluding private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.

*** Additional Director is appointed on 24th March, 2015.

Relationship between Directors

Mr. Girish Talwalkar, Executive Chairman of the Company and Mr. Madhukar Talwalkar, Whole-time Director of the Company, being son and father, are related to each other.

Mr. Vinayak Gawande, Whole-time Director and Mr. Anant Gawande, Whole-time Director & Chief Financial Officer of the

Company being brothers, are related to each other.

Mr. Madhukar Talwalkar, Executive Chairman of the Company and Mr. Prashant Talwalkar, Managing Director and Chief Executive Officer, being uncle and nephew, are related to each other.

Remuneration paid to Directors for the year ended 31st March, 2015

Details of remuneration paid to Directors of the Company for the year ended 31st March, 2015 is as follows:

Name of Director	Designation	Gross Salary & Perquisites (₹)	Name of Director	Designation	Gross Salary & Perquisites (₹)
Mr. Girish Talwalkar	Executive Chairman	3,150,000	Mr. Prashant Talwalkar	Managing Director & CEO	4,200,000
Mr. Madhukar Talwalkar	Whole-time Director	4,200,000	Mr. Harsha Bhatkal	Whole-time Director	4,200,000
Mr. Vinayak Gawande	Whole-time Director	4,200,000	Mr. Anant Gawande	Whole-time Director & CFO	4,200,000

No commission, stock option, perquisites, pension, performance linked incentive or any benefit other than mentioned above have been given to the Directors.

Non-Executive Directors

Sitting Fees

The Non-Executive Directors are paid sitting fees of ₹15,000/- per meeting of the Board. The members of Audit and Stakeholders Relationship Committees are also paid ₹15,000/- for attending the meetings of the respective Committees. Except sitting fees, no other remuneration is paid to Non-Executive Directors.

Shareholding

The details of shares held by Non-Executive Directors as on 31st March, 2015 are enumerated below:

Name of Director	No. of Shares held	Name of Director	No. of Shares held
Mr. Manohar Bhide	6,296	Dr. Avinash Phadke	–
Mr. Raman Maroo	–	Mr. Abhijeet Patil	–
Mr. Mohan Jayakar	–	Mr. Dinesh Afzulpurkar	–
Mrs. Mrunalini Deshmukh	–		

Material or pecuniary relationship

The Non-Executive Directors do not have any material or pecuniary relationship or transaction of that nature with the Company.

Board Committees

The Board of Directors has constituted seven Committees:

1) Audit Committee

The composition of Audit Committee, its powers, its role and the terms of reference of the Audit Committee cover all the matters specified under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges. It recommends the appointment of Auditors, reviews

and monitors Auditors independence, examines financial matters and financial statement of our Company, financial statements of the Subsidiaries, analyses inter-corporate loans and investments, approves related party transactions, evaluates internal financial controls and risk management systems, invites comments on Internal Control Systems and its weaknesses and all other matters to be mandatorily done/reviewed by the Audit Committee under the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchanges.

During the year, four Audit Committee meetings were held on 8th May, 2014, 7th August, 2014, 6th November, 2014 and 5th February, 2015.

The composition of the Committee and attendance record for the meetings are given below:

Name of Director	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Mr. Abhijeet Patil	Chairman	Independent Director	04
Dr. Avinash Phadke	Member	Independent Director	04
Mr. Anant Gawande	Member	Whole-time Director & CFO	04

Ms. Avanti Sankav, Company Secretary & Compliance officer, acts as the Secretary of the Committee.

2) Nomination and Remuneration Committee

During the year, the name of the Remuneration/Compensation Committee was changed to Nomination and Remuneration Committee and the terms of reference were revised, pursuant to Section 179 of the Companies Act, 2013 ("the Companies Act") and Clause 49 of the Listing Agreement ("the Listing Agreement"). The composition of Nomination and Remuneration Committee is in accordance with the requirements of the Companies Act and the Listing Agreement. It reviews the remuneration policy and recommends the remuneration package for the Executive Directors in accordance with the provisions of the Companies Act, 2013, sets criteria for evaluation of performance of Directors and all other matters to be mandatorily done/reviewed by the Nomination and Remuneration Committee under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

Remuneration Policy

Your Company believes that an effective Board is a prerequisite for growth of an organization. The qualification, positive attributes and independence of a Director is balanced with the Remuneration given with a due regard to the motivation and encouragement to the Directors to put their best foot forward.

Though Remuneration is theoretically defined as the salary or pay for the work done, your Company looks at it as a reward for the efforts and initiatives. The Remuneration or Emoluments Policy is designed to perfectly balance the inputs of the employees and the outcome of the same, in short remuneration vis-à-vis performance. The qualification, experience, knowledge, expertise, independence maintained and capability are the definite parameters for the Remuneration, is considers on due recognition of the fair and transparent conduct, positive

attitude, realistic approach and professional, positive and innovative attitude of all the employees, be it Directors, Key Managerial Personnel or other employees of the Company. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and other employees with the quality required to run the Company successfully.

Criteria for Evaluation of the performance of Independent Directors

It is an endeavor for the Directors to remain competent for the position they held in the Company. Each Director is expected to bring to the Board his own particular type of contribution and strength to provide the overall balance and range of attributes, skills and knowledge acquired.

The evaluation of the performance of Independent Directors is based on review of the past performance to ascertain the areas that need improvement and also the strengths in terms of qualification, positive attributes, independence of the Director, appropriate skills to carry out his duties, knowledge, experience, submissions done by the Director in varied disciplines related to the Company's business. Also, the role of Independent Directors and criteria of independence as envisaged in Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement are the foundation for quality comparison of the performance of Independent Directors.

During the year, three Nomination and Remuneration Committee meetings were held on 8th May, 2014, 6th November, 2014 and 24th March, 2015.

The composition of the Committee and attendance record for the meetings are given below:

Name of Director	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Mr. Manohar Bhide	Chairman	Independent Director	03
Dr. Avinash Phadke	Member	Independent Director	03
Mr. Abhijeet Patil	Member	Independent Director	03

3) Stakeholders Relationship Committee

During the year, the name of the Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee was changed to Stakeholders Relationship Committee and the terms of reference of the same were revised pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition of Stakeholders Relationship Committee is in accordance with the Companies Act, 2013 and the Listing Agreement. It considers and resolves the grievances

of security holders of the Company, share transfers and all other matters to be mandatorily done/reviewed by the Stakeholders Relationship Committee under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

During the year, four Stakeholders' Relationship Committee Meetings were held on 8th May, 2014, 7th August, 2014, 6th November, 2014 and 5th February, 2015.

The composition of the Committee and attendance record for the meetings are given below:

Name of Director	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Mr. Abhijeet Patil	Chairman	Independent Director	04
Mr. Girish Talwalkar	Member	Executive Chairman	03
Mr. Anant Gawande	Member	Whole-time Director & CFO	04

Ms. Avanti Sankav, Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

During the year, no shareholders complaints were received and resolved. As on 31st March, 2015, no complaints remained pending/unattended and no share transfers remained pending for over 15 days, during the year.

4) Management Committee

The Management Committee consists of five Whole-time Directors and two Independent Directors as on 31st March, 2015. Mr. Madhukar Talwalkar, Chairman of the Committee resigned from the Committee during the year and Mr. Girish Talwalkar was appointed as the Chairman of the Committee.

The terms of reference of the Committee includes the powers to supervise and monitor day to day activities/transactions/ business of the Company and to grant necessary approvals wherever required except the powers as prescribed in the provisions of Section 179 of the Companies Act, 2013 which are to be exercised by the Board only at its meeting.

During the year, five Management Committee Meetings were held on 8th May, 2014, 7th August, 2014, 6th November, 2014, 5th February, 2015 and 25th February, 2015.

The composition of the Committee and attendance record for the meetings are given below:

Name of Director	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Mr. Girish Talwalkar	Chairman	Executive Chairman	04
Mr. Vinayak Gawande	Member	Whole-time Director	05
Mr. Prashant Talwalkar	Member	Managing Director & CEO	05
Mr. Harsha Bhatkal	Member	Whole-time Director	04
Mr. Anant Gawande	Member	Whole-time Director & CFO	05
Mr. Manohar Bhide	Member	Independent Director	04
Mr. Abhijeet Patil	Member	Independent Director	05

5) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee consists of an Independent Director and two Whole-time Directors. The terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013 and it's respective rules, to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy, monitor the CSR Policy of the Company from time

to time, to comply with Section 135 and other provisions of the Companies Act, 2013 and rules, regulations made there-under and as may be applicable/amended from time to time. Mr. Madhukar Talwalkar, resigned as member of the Committee during the year and Mr. Girish Talwalkar was appointed in his place as member of the Committee. One meeting of the Corporate Social Responsibility (CSR) Committee was held on 6th November, 2014 and all members were present at the meeting.

The composition of the Committee is given below:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Raman Maroo	Chairman	Independent Director
Mr. Madhukar Talwalkar	Member	Whole-time Director
Mr. Vinayak Gawande	Member	Whole-time Director

6) Risk Management Committee

Risk Management Committee was formed pursuant to Clause 49 VI of the Listing Agreement with the Stock Exchanges and the applicable provisions of the Companies Act, 2013. This Committee is responsible to frame and implement the Risk Management Plan for the Company, monitor, review and

amend if required, the Risk Management Plan, inform the Board about the risk which can have an adverse impact on profit and cash flow, likelihood of occurrence of risk and scope for mitigation or reduction of risk and all other matters to be mandatorily done/reviewed by Risk Management Committee.

The composition of the Committee is given below:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Prashant Talwalkar	Chairman	Managing Director & CEO
Mr. Anant Gawande	Member	Whole-time Director & CFO
Mr. Harsha Bhatkal	Member	Whole-time Director

7) Sexual Harassment Committee

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, implemented by Ministry of Law and Justice (Legislative Department), Government of India, Sexual Harassment Committee was formed to prevent any incident of sexual harassment of women

at workplace and redressal of their complaints in the matter to ensure women's right to gender equality, life and liberty and equality in working conditions and other women related issues.

During the year, two Sexual Harassment Committee Meetings were held on 1st September, 2014 and 2nd March, 2015.

The composition of the Committee and its attendance record for the meetings are given below:

Name of Member	Designation in the Committee	No. of Meetings Attended
Ms. Avanti Sankav	Chairperson	02
Ms. Anupa Kamble	Member	02
Ms. Akanksha Vaidya	Member	02
Dr. Smita Sukhtankar	Member	02

During the financial year 2014-15, the Company has received no complaints on sexual harassment and as such no complaints have been disposed off or pending as on 31st March, 2015.

Meeting of Independent Directors

During the year a separate meeting of Independent Directors was held on 5th February, 2015 to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company. They also assessed the quality, coverage and timeliness of flow of information between the Management and the Board. All the Independent Directors, except Mr. Mohan Jayakar, participated at the meeting of the Independent Directors, which was chaired by Mr. Manohar Bhide.

Directors and a newly appointed woman Director about the Organization Structure, Delegation of powers including financial and administrative powers and Management Information System to give an insight into the working of the Company. All necessary reports, documents were given to familiarize them with the Company. (weblink : <http://talwalkars.net/pdf/FamiliarisationProgramme31715164629326.pdf>)

Familiarisation programme for Board Members

Your Company furnished a detailed information to Independent

General Body Meetings

General Meetings (Annual General Meeting and Extra-Ordinary General Meeting)

• Annual General Meeting (AGM):

The date, time and venue of the Annual General Meetings held in last three years are as under:

Financial Year	Date and Time	Venue	Special Resolutions Passed
2011-12	9 th August, 2012 at 12.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001.	No Special Resolution was passed
2012-13	8 th August, 2013 at 12:30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001.	No Special Resolution was passed
2013-14	18 th September, 2014 at 12.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001.	<ul style="list-style-type: none"> • Re-appointment of Mr. Madhukar Talwalkar, Mr. Prashant Talwalkar, Mr. Vinayak Gawande, Mr. Girish Talwalkar, Mr. Anant Gawande and Mr. Harsha Bhatkal • Approval for Borrowing • Approval for Private Placement of NCD • Approval for Franchise Agreement with AFPL, DEPL, JFPL and EWPL*

*AFPL- Aspire Fitness Pvt. Ltd., DEPL – Denovo Enterprises Pvt. Ltd., JFPL – Jyotsna Fitness Pvt. Ltd. and EWPL – Equinox Wellness Pvt. Ltd.

• **Extra-Ordinary General Meeting (EGM)**

No Extra-Ordinary General Meeting was held in last three years.

Postal Ballot

During the year 2014-15, one special resolution was passed through Postal Ballot for creation of charge/mortgage in respect of borrowings under Section 180(1)(a) of the Companies Act, 2013. Mr. Vinayak Gawande, Whole-time Director of the Company and Ms. Avanti Sankav, Company Secretary were authorized to supervise and control the entire postal ballot process and Mr. Bharat Upadhyay, Practicing Company Secretary was appointed as scrutinizer for scrutinizing the

Postal Ballot Process. Procedure prescribed under Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management & Administration) Rules, 2014 and Clause 35B of the Listing Agreement were followed for conducting the said Postal ballot. Postal ballot forms with full particulars of shareholders duly printed thereon were sent in self-addressed postage pre-paid envelopes together with the Notice and Explanatory statement specifying the resolution proposed to be passed by postal ballot. Members were allowed to vote by way of postal ballot form or e-voting system of CDSL (Central Depository Services Limited). Procedure of e-voting was explained in detail in the Explanatory Statement of Postal Ballot.

Particulars	Number of			Number of Votes contained in			Percentage Total
	Postal Ballot Forms	e-Voting	Total	Postal Ballot forms	e-Voting	Total	
Assent	53	47	100	4,642	17,533,818	17,538,460	99.99%
Dissent	5	4	9	185	2148	2333	0.01%
Total	58	51	109	4,827	17,535,966	17,540,793	100.00%

Disclosures

Disclosure of Related Party Transactions

All related party transactions have been entered into in the ordinary course of business. The statements in summarised form of transactions with related parties were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others were entered on an arm’s length basis. There was no material individual transaction with the related parties other than in the normal course of business. The Company has not entered into material significant related party transaction with any of its related parties. The details of these transactions are provided in the Balance Sheet in accordance with Accounting Standard 18.

Disclosure of Accounting Treatment

All Accounting Standards mandatorily required, have been followed in preparation of financial statements and no deviation has been made in following the same.

Whistle blower policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

During the year under review, no employee was denied access to the Audit Committee.

Disclosure of non-compliance by the Company

The Company has complied with all the requirements of the Stock Exchanges, the SEBI and other statutory authorities on all matters relating to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against, the Company.

Compliance Reports

The Board of Directors periodically reviews the compliance reports of all laws, rules, regulations and amendments thereon applicable to the Company.

Code of Conduct for Directors and Senior Management

The Company has adopted a Code of Conduct for Directors and the Senior Management in compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. The Code of Conduct is also posted on the Company’s website.

All the Directors and Members of the Senior Management have affirmed the compliance with the Code of Conduct for the year under review as per the norms of the Listing Agreement. The declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

Code of Conduct for prevention of Insider Trading

The Company has been maintaining the highest ethical standards by implementing a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, for prevention of insider trading in the shares of the Company. The Code which is applicable to promoters, directors, auditors, employees of the Company and their dependents, prescribes the procedures to be followed while dealing in the shares of the Company.

Management Discussion and Analysis Report

Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters as per the requirement of Clause 49 of the Listing Agreement and is displayed on the Company's website www.talwalkars.net

CEO/CFO Certification

The Managing Director & Chief Executive Officer and Whole-time Director & Chief Financial Officer have given a Certificate to the Board of Directors in the prescribed format as per the requirement of Clause 49 IX of the Listing Agreement for the year under review.

Payment of Listing Fees

The Company has duly paid the Listing Fees of the Stock Exchanges for the year 2014-15 within the stipulated time.

Qualification in the Auditors Report

There is no qualification in the Auditors Report for the year ended 31st March, 2015.

Means of Communication

The Company believes in sharing the information with the shareholders about the Company's operations and financial performance. The Company maintains the dynamic website, making the information readily available to every member.

Various means of communication used for sharing the Company's updates are as below:

i) Quarterly Results:

Quarterly and audited financial results/updates on financial results are published in the newspapers namely; The Economic Times, Free Press Journal, Maharashtra Times and NavShakti.

ii) Website:

The Company's website at www.talwalkars.net is regularly updated with the financial results.

iii) Annual report:

The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

iv) Releases and Events:

All the important events, schemes and offers provided by the Company are available on the Company's website. Director's updates on the financial matters, operations of the Company are updated on the website. All these measures help the shareholders to have complete knowledge about the Company.

v) Investor Presentations:

Along with the quarterly financial results, updates on financial results together with Company's business are sent to the Stock Exchanges. These investor presentations are part of the Company's website.

General Shareholders Information

Annual General Meeting	Thursday, 10th September, 2015 at 11.30 a.m.
	M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4 th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001
Financial Year	1st April to 31st March
Financial Calendar (2014-15)	
Unaudited results for the quarter ending 30 th June, 2014	7 th August, 2014
Unaudited results for the quarter ending 30 th September, 2014	6 th November, 2014
Unaudited results for the quarter ending 31 st December, 2014	5 th February, 2015
Audited results for the quarter and year ending 31 st March, 2015	7 th May, 2015

Financial Calendar (2015-16)	
Unaudited results for the quarter ending 30 th June, 2015	On or before 14 th August, 2015
Unaudited results for the quarter ending 30 th September, 2015	On or before 14 th November, 2015
Unaudited results for the quarter ending 31 st December, 2015	On or before 14 th February, 2016
Audited results for the quarter and year ending 31 st March, 2016	On or before 29 th May, 2016
Book closure dates	Saturday, 5 th September, 2015 to Thursday, 10 th September, 2015 (both days inclusive)
Dividend payment date	On or after 10 th September, 2015
Stock Code/Symbol (Equity)	BSE – 533200 NSE – TALWALKARS
ISIN for NSDL and CDSL	INE502K01016
Corporate Identification Number (CIN)	L92411MH2003PLC140134

Listing

Equity

Equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 10th May, 2010.

Debt Securities

- 250 non-convertible debt securities (NCDs) of ₹1,000,000/- each aggregating to ₹250,000,000/- issued and allotted on 3rd January, 2014 on private placement basis are listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments' effective from 21st January, 2014.

Stock codes

Scrip code: 949795; Scrip ID: 1175TBVFL20

ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07039

- 250 non-convertible debt securities (NCDs) of ₹1,000,000/- each aggregating to ₹250,000,000/- issued and allotted on

25th April, 2014 on private placement basis are listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments' effective from 9th May, 2014.

Stock codes

Scrip code: 950237; Scrip ID: 1175TBVF20A

ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07047

- 250 non-convertible debt securities (NCDs) of ₹1,000,000/- each aggregating to ₹250,000,000/- issued and allotted on 4th March, 2015 on private placement basis are listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments' effective from 13th March, 2015.

Stock codes

Scrip code: 951764; Scrip ID: 980TVBFL21

ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07054

Company prepaid 50 and 250 non-convertible debt securities (NCDs) both of ₹1,000,000/- each, issued and allotted on 25th January, 2011 and 7th February, 2012 respectively on private placement basis and were listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments'.

50 non-convertible debt securities (NCDs) of ₹1,000,000/- each	250 non-convertible debt securities (NCDs) of ₹1,000,000/- each
Scrip code: 947096; Scrip ID: TBVFL250111	Scrip code: 947816; Scrip ID: TBVFL070212
ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07013	ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07021

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

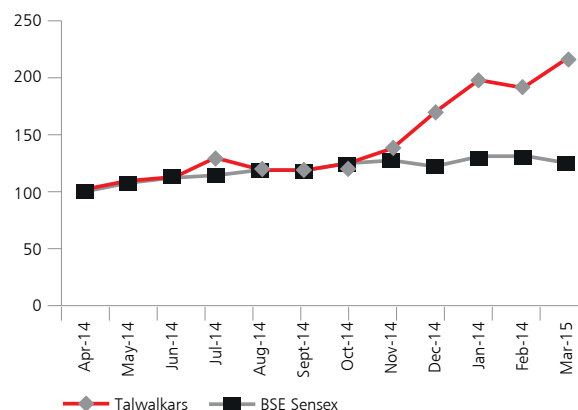
The Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments.

Stock market price data for the year on NSE & BSE

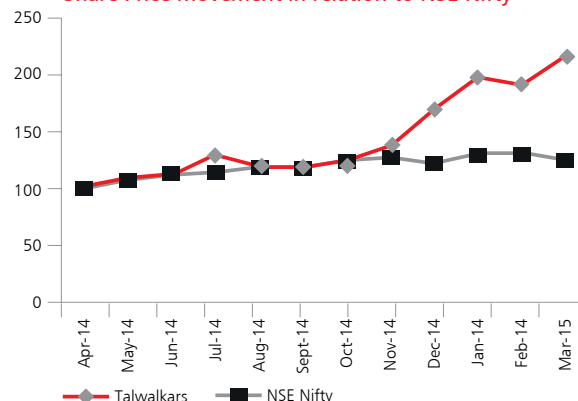
The monthly high and low prices of the Company's shares during 2014-15 on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are as under:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2014	178.00	160.00	177.85	159.70
May, 2014	207.70	168.90	208.00	168.90
June, 2014	216.80	180.40	217.00	180.65
July, 2014	241.70	173.15	242.50	173.00
August, 2014	220.90	201.20	221.00	200.65
September, 2014	241.00	190.15	240.85	191.00
October, 2014	212.10	189.00	211.80	191.30
November, 2014	264.35	201.10	264.00	203.00
December, 2014	300.00	229.00	301.35	229.10
January, 2015	375.00	283.85	373.40	284.20
February, 2015	357.00	310.00	358.40	307.00
March, 2015	409.80	326.10	410.00	326.35

Share Price Movement in relation to BSE Sensex



Share Price Movement in relation to NSE Nifty



Share Transfer System and Registrar and Transfer Agents

The share transfers/transmissions are approved by Stakeholders' Relationship Committee. There are no share transfer requests pending as on 31st March, 2015.

The Company's shares are required to be compulsorily traded in the stock exchanges in the dematerialised form. Shares in the

physical mode which are lodged for transfer are processed and returned within the stipulated time.

Subsequent to the Board's approval to share transfer, the share transfer activities are carried out by the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078.

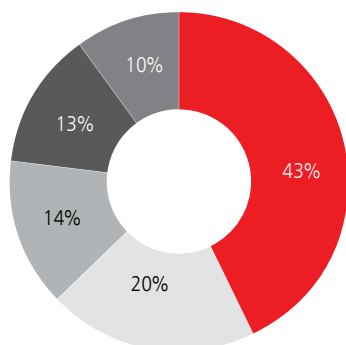
Distribution of shareholding as on 31st March, 2015

No. of Equity Shares held	No. of shareholders	No. of shares held	% of shareholding
Upto 500	7958	723,126	2.76
501 to 1,000	410	317,769	1.21
1,001 to 2,000	220	326,676	1.24
2,001 to 3,000	95	240,889	0.92
3,001 to 4,000	46	163,527	0.62
4,001 to 5,000	38	174,644	0.68
5,001 to 10,000	95	696,076	2.67
More than 10,000	143	23,538,181	89.90
Total	9,005	26,180,888	100.00

Shareholding pattern as on 31st March, 2015

Category	No. of Shares held	% of Share holding
Promoters & Promoters Group	11,340,811	43.32
Other Directors & their relatives	6,296	0.02
Clearing Member	526,961	2.01
Other Bodies Corporate & Financial Institutions	3,336,077	12.74
Foreign Institutional Investors (FII's)	3,007,914	11.49
Mutual Funds	2,529,238	9.66
Non-Resident Indians (Repatriable)	506,101	1.93
Non-Resident Indians (Non-Repatriable)	151,281	0.58
Public	4,776,209	18.25
Total	26,180,888	100.00

Categories of shareholding as on 31st March, 2015



■ Directors and Relatives - 43% ■ Others - 20%
■ Foreign Holdings/NRIs - 14% ■ Other Bodies Corporate/
 Financial Institutions - 13% ■ Mutual Funds - 10%

Dematerialisation of shares

As on 31st March, 2015, 99.96% of the total paid up capital representing 26,170,652 shares, was held in dematerialised form and the balance 0.04% representing 10,236 shares was held in physical form.

In accordance with SEBI Circular bearing code Cir/ISD/3/2011 dated 17th June, 2011, shareholding of the promoters and promoters group is in the dematerialised form.

Address for correspondence

Registered Office Address

Talwalkars Better Value Fitness Limited
801-813, Mahalaxmi Chambers,

22, Bhulabhai Desai Road,
Mumbai - 400 026, India.
Tel. No.: (022) 6612 6300
Fax No.: (022) 6612 6363

The Company has an exclusive e-mail id viz. ig@talwalkars.net to enable investors to register their complaints, if any.

Registrar and Share Transfer Agent

Shareholders correspondence may be directed to Company's Registrar and Share Transfer Agent at:

Link Intime India Private Limited

(Unit - Talwalkars Better Value Fitness Ltd.)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078, India.
Tel No.: (022) 2594 6970
Fax No.: (022) 2596 2691
E-Mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board
Talwalkars Better Value Fitness Limited

Prashant Talwalkar
Managing Director & CEO
DIN: 00341715

Anant Gawande
Whole-time Director & CFO
DIN: 00324734

Date: 7th May, 2015
Place: Mumbai

CERTIFICATES UNDER REPORT ON CORPORATE GOVERNANCE

Certificate on Corporate Governance

To
The Members
Talwalkars Better Value Fitness Limited

We have examined the compliance of conditions of Corporate Governance by Talwalkars Better Value Fitness Limited, for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Geeta Canabar & Associates
Practicing Company Secretary
ACS 22908 CP 8330

Date: 7th May, 2015
Place: Mumbai

Geeta Canabar
Proprietor

Declaration on Compliance of the Company's Code of Conduct.

To
The Members
Talwalkars Better Value Fitness Limited
Mumbai

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them

and there is no non compliance thereof during the year ended 31st March, 2015.

For and on behalf of the Board
Talwalkars Better Value Fitness Limited.

Prashant Talwalkar
Managing Director & CEO
DIN: 00341715

Date: 7th May, 2015
Place: Mumbai

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors
Talwalkars Better Value Fitness Limited.

Dear Sirs,

Sub: CEO/CFO Certificate
(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

We, Prashant Talwalkar, Managing Director & CEO and Anant Gawande, Whole-time Director & CFO of Talwalkars Better Value Fitness Limited, to the best of our knowledge and belief, hereby certify that:

- (A) We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls
- (D) We have indicated to the Auditors and the Audit committee:
- (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Yours sincerely,

Prashant Talwalkar
Managing Director & CEO
DIN: 00341715

Anant Gawande
Whole-time Director & CFO
DIN: 00324734

Date: 7th May, 2015
Place: Mumbai

Independent Auditor's Report

TO THE MEMBERS OF
TALWALKARS BETTER VALUE FITNESS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Talwalkars Better Value Fitness Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. In our opinion the accounting impact of Company's policy on Impairment of Assets, needs to be reviewed;
 - (e) As mentioned in note 16 to the financial statements, the balances of certain receivables are subject to confirmations and reconciliations;
 - (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M.K.Dandekar & Co.,
Chartered Accountants
(ICAI Reg. No. 0006795)

Date: 7th May, 2015
Place: Mumbai

S. Poosaidurai
Partner
Membership No. 223754

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (ii) (a) As explained to us, inventories have been physically verified during the period by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on such physical verification as compared to the book records.
- (iii) The Company has granted interest free loan to its subsidiaries which are covered in the register maintained under section 189 of the Companies Act, 2013('the Act'). and these loans have been recovered as on Balance Sheet date.
- The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(a) and (b) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest amount.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, inventory and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The company has not accepted any Deposits as per the provisions of section 73 and 76 of the Companies Act, 2013. Accordingly, the reporting requirement under paragraph 4(v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost accounting records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of excise, duty of customs, value added tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof is prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the management.

For M.K.Dandekar & Co.,
Chartered Accountants
(ICAI Reg. No. 000679S)

Date: 7th May, 2015
Place: Mumbai

S. Poosaidurai
Partner
Membership No. 223754

BALANCE SHEET as at 31st March, 2015

₹ In Million

Particulars	Notes to Accounts No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY & LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	2	261.81	261.81
(b) Reserves and Surplus	3	2,381.34	2,048.72
2) Non-Current Liabilities			
(a) Long Term Borrowings	4	2,357.78	1,238.51
(b) Deferred Tax Liabilities (Net)		244.83	227.36
(c) Other Long Term Liabilities	5	2.00	122.58
3) Current Liabilities			
(a) Short Term Borrowings	6	-	300.00
(b) Trade Payables	7	134.52	82.49
(c) Other Current Liabilities	8	357.07	367.21
(d) Short Term Provisions	9	121.22	141.29
TOTAL		5,860.57	4,789.97
II. ASSETS			
1) Non-Current Assets			
(a) Fixed Assets	10		
i) Tangible Assets		3,945.22	3,699.35
ii) Intangible Assets		35.00	39.44
iii) Capital Work In Progress		569.24	340.71
iv) Intangible Asset under Development		3.32	3.32
(b) Non-Current Investments	11	72.31	109.50
(c) Long Term Loans and Advances	12	333.81	199.67
(d) Other Non-Current Assets	13	0.09	0.09
2) Current Assets			
(a) Current Investments	14	0.22	0.22
(b) Inventories	15	0.42	0.63
(c) Trade Receivables	16	294.10	274.20
(d) Cash and Cash Equivalents	17	443.10	41.56
(e) Short Term Loans and Advances	18	163.74	81.28
TOTAL		5,860.57	4,789.97
Summary of significant accounting policies	1		
The accompanying notes are forming part of the Standalone Financial Statements			

As per our report of even date attached

For M.K. Dandekar & Co.,

Chartered Accountants

ICAI FRN: 000679S

S.Poosaidurai

Partner

Membership No. 223754

Place : Mumbai

Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar

Prashant Talwalkar

Vinayak Gawande

Anant Gawande

Manohar Bhide

Avinash Phadke

Mohan Jaykar

Raman Maroo

Abhijeet Patil

Avanti Sankav

Executive Chairman

Managing Director & CEO

Whole time Director

Whole time Director & CFO

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Company Secretary & Compliance Officer

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

₹ in Million

Particulars	Notes to Accounts No.	Year Ended March 31, 2015	Year Ended March 31, 2014
1. REVENUE			
(a) Revenue from Operations	19	2,240.85	1,800.47
Less: Service Tax		238.63	190.36
		2,002.22	1,610.11
(b) Other Income	20	7.86	8.26
Total Revenue		2,010.08	1,618.37
2. EXPENSES			
(a) Changes in Inventories	21	0.21	0.92
(b) Purchase of Stock-in-Trade	22	-	1.18
(c) Employee Benefit Expenses	23	307.09	293.97
(d) Financial Costs	24	109.14	95.60
(e) Depreciation and Amortization Expenses	25	366.77	222.66
(f) Other Expenses	26	567.88	507.75
Total Expenses		1,351.09	1,122.08
3. Profit before exceptional and extraordinary items and tax (1 - 2)		658.99	496.29
4. Exceptional Items	27	-	(0.28)
5. Profit before extraordinary items and tax (3 + 4)		658.99	496.01
6. Extraordinary Items		-	-
7. Profit before Tax for the year (5 + 6)		658.99	496.01
8. Tax expense:			
(a) Current Tax	28	191.51	110.79
MAT Credit Reversal / (Entitlement)		20.17	8.58
(b) Deferred Tax	29	17.47	42.63
9. Profit from the period from continuing operations (7 - 8)		429.84	334.01
10. Profit/ (Loss) from discontinuing operations		-	-
11. Profit for the period (9 + 10)		429.84	334.01
12. Earning per Equity Share (of ₹ 10 each) :			
(a) Basic	32	16.42	12.76
(b) Diluted	32	16.42	12.76
Summary of significant accounting policies	1		
The accompanying notes are forming part of the Standalone Financial Statements			

As per our report of even date attached

For M.K. Dandekar & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar
Prashant Talwalkar
Vinayak Gawande
Anant Gawande
Manohar Bhide
Avinash Phadke
Mohan Jaykar
Raman Maroo
Abhijeet Patil
Avanti Sankav

Executive Chairman
Managing Director & CEO
Whole time Director
Whole time Director & CFO
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
Company Secretary & Compliance Officer

CASH FLOW STATEMENT for the year ended 31st March, 2015

₹ in Million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before Taxes	658.99	496.01
Non-cash expenses	366.77	222.66
Finance cost (Net)	109.19	95.61
Income from Investment activity	(0.30)	(1.93)
(Profit)/Loss on sale of assets	-	0.28
	475.66	316.62
Operating Profit before Working capital changes	1,134.65	812.63
(Increase)/Decrease in Current Assets	(164.53)	(10.84)
(Increase)/Decrease in Trade and other receivables	(19.90)	(135.96)
Increase/(Decrease) in Trade and other payables	30.54	28.06
	(153.89)	(118.74)
Cash generated from operations	980.76	693.89
Direct taxes paid	(217.67)	(100.64)
Net cash from operating activities	763.09	593.25
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in Subsidiary	(0.10)	-
Payment towards purchase of Fixed Assets, Capital Work-in-Progress	(1,088.82)	(1,023.42)
Proceeds from sale of fixed assets	306.83	44.95
Dividend Received	0.30	1.93
Purchase of Short Term Investments	(216.30)	(412.80)
Proceeds from sale of Short Term Investments	253.59	568.86
Net cash (used in) Investing activities	(744.50)	(820.48)

CASH FLOW STATEMENT for the year ended 31st March, 2015

₹ in Million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-Convertible Debentures	(300.00)	(250.00)
Issue proceeds from Non-Convertible Debentures	500.00	250.00
NCD interest	(65.15)	(62.77)
Qualified Institutional Placement related expenses	(0.68)	-
Borrowings done	2,754.14	991.27
Repayment of Long term and other borrowings	(2,299.59)	(679.18)
Finance cost paid	(159.83)	(130.23)
Dividend Paid	(39.27)	(39.27)
Dividend Tax Paid	(6.67)	(6.37)
Net cash used in Financing Activities	382.95	73.45
NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	401.54	(153.78)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	41.65	195.43
Cash & Bank Balance including Fixed Deposits	443.19	41.65
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	443.19	41.65

As per our report of even date attached

For M.K. Dandekar & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar
Prashant Talwalkar
Vinayak Gawande
Anant Gawande
Manohar Bhide
Avinash Phadke
Mohan Jaykar
Raman Maroo
Abhijeet Patil
Avanti Sankav

Executive Chairman
Managing Director & CEO
Whole time Director
Whole time Director & CFO
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
Company Secretary & Compliance Officer

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

CORPORATE INFORMATION:

- Talwalkars Better Value Fitness Limited (the 'Company') is a public limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Corporate Identity Number (CIN) of the Company is L92411MH2003PLC140134.
- The Company, which is popularly known as 'Talwalkars' has pioneered the concept of gyms in India and today, is the largest chain of health centers in India offering a diverse suite of services in fitness including gyms, spas, aerobics and health counseling. Talwalkar's growth can be attributed directly to the trust their customers have in them, and the benefits they derive from their expert advice, personalized supervision, on-going facility upgrades, result-oriented approach, and above all from Talwalkar's know-how and experience in this field.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation of financial statements:

- The financial statements of the Company are prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- The amounts in the accompanying financial statements have been stated in millions of Indian rupees and rounded off to two decimals.

Use of Estimates:

- The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

(b) Fixed assets:

- Tangible fixed assets are stated at original cost, net of tax/duty credits availed if any, less accumulated depreciation / amortization. Costs include all expenses incurred to bring the assets to its present location and condition. Assets acquired by way of slump sale are recorded at book value in the books of the transferor as on the date of transfer. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial activity are treated as part of the fixed assets and capitalized.
- Intangible assets are recorded at the consideration paid for acquisition and are carried at cost less accumulated amortization.

(c) Depreciation/Amortization:

- Depreciation on all the fixed assets is provided pro-rata from / up to the date of acquisition / disposal using the straight line method in line with the useful lives prescribed by Schedule II to the Companies Act, 2013 from 01.04.2014.
- The Company has reviewed the useful life of the fixed assets based on Schedule II to the Companies Act, 2013. Consequently depreciation charge for the year is higher and profit before tax so is lesser to that extent.
- In case of Goodwill, the amount is amortized @4.75% p.a. using the straight-line method.

(d) Provisions, Contingent Liabilities and Contingent Assets:

- Provisions involving substantial degree of estimation in measurement are recognized if there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and the amount of obligation can be reliably estimated.
- Contingent Liabilities are not recognized in the financial statements but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

(e) Revenue Recognition:

- Income from fees and subscriptions, recorded net of discounts and rebates have been recognised as income for the year irrespective of the period, for which these are received. However, the fees receivable from existing members as at the end of the year has been recognised as income for the year.
- The costs relating to rendering of these services being unascertainable are charged off to revenue in the year in which they become legally payable.
- Input credit availed on service tax through revenue expenses paid are accounted for separately as income, thus accounting the expenses at their gross values inclusive of service tax. Expenses on which service tax is paid in subsequent year are booked net of the un-availed service tax at end of the year.

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

- Income by way of franchisee fees (including up-front fees) received pursuant to franchisee agreements entered, are recognized as income of the period in accordance with terms of the agreement, and as per data submitted by the franchisees.
- Interest income is recognized on a time-proportion basis taking into account the amount outstanding and the rate applicable.
- Any other income i.e. from juice bar sales, consumables etc. are recognised on receipt basis since the realizations there from are immediate and no credit is allowed to the customers / members.

(f) Impairment of Assets:

- The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.
- An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired.
- At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.
- The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(g) Employee benefits:

- All employee benefits payable wholly within twelve months of rendering the service are classified as a short term employee benefits. Benefits such as salaries, wages, contractual labour charges and short term compensated absences, etc. is recognized in the period in which the employee/contractual labour renders the related service.
- The gratuity liability is provided and charged off as revenue expenditure based on the actuarial valuation. The company has subscribed to the group gratuity scheme policy of LIC of India.
- Any other payments under the relevant labour statutes, wherever applicable, are reimbursed to the Outsourced Agency as and when applicable.

(h) Borrowing Cost:

- Borrowing cost incurred for qualifying assets is capitalized up to the date; the asset is ready for intended use, based on borrowings incurred specifically for financing the asset. In determining the amount of borrowing cost eligible for capitalization during a period, any income earned on the temporary investment on those borrowings is deducted from the borrowing cost incurred.
- Other Borrowing costs are charged off as revenue expenditure in the year in which they are incurred.

(i) Foreign Currency Transactions:

- Foreign Currency Transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are:
 - i. Upto 31st March 2008, recognized as an income or expense in the period in which they arise and
 - ii. Thereafter adjusted in the cost of fixed assets specifically financed by the borrowings to which the exchange differences relate.

(j) Earnings Per Share:

Basic Earnings Per Share

- Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders, by weighted average number of equity shares outstanding during the year.

Diluted Earnings Per Share

- For the purpose of calculating Diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(k) Taxes on Income:

- Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred Taxation is recognized for all timing differences between accounting income and taxable income and is quantified using enacted / substantial enacted tax rates as at balance sheet date. Deferred Tax asset are recognized subject to the management's judgement that the realization is virtually / reasonably certain.
- Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961, based

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(l) Cash Flow Statement:

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS)3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and cash equivalents presented in the Cash Flow Statement consists of cash on hand, balances in Current, Fixed deposit and Cash Credit Accounts with Bank.

(m) Investments:

- Long term Investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in Mutual Funds are stated at the lower of cost and fair value determined on an individual investment basis.

(n) Inventories:

- Inventories of stock-in-trade are valued at lower of cost and net realizable value.

(o) Debenture Redemption Reserve:

- Transfer to Debenture Redemption Reserve is made in terms of requirement of Circular No.04/2013 dated 11/02/2013 issued by the Ministry of Corporate Affairs.

(p) Leases:

- Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant rate of interest on the outstanding liability for each year.
- Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating lease. Lease rentals under operating lease are recognized in the Statement of Profit and Loss.

Note 2 : Share Capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	₹ in Million	No.	₹ in Million
AUTHORISED:				
30,000,000 Equity Shares of ₹ 10/- each	30,000,000	300.00	30,000,000	300.00
	30,000,000	300.00	30,000,000	300.00
ISSUED, SUBSCRIBED & PAID-UP:				
2,61,80,888 Equity Shares of ₹10/- each fully paid-up	2,61,80,888	261.81	26,180,888	261.81
(Previous year 2,61,80,888 Equity shares of ₹10/- each fully paid- up)				
Total	26,180,888	261.81	26,180,888	261.81

(i) Terms/ Rights attached to Equity Shares

- The Company has only one class of share capital namely Equity Shares having a face value of Rs.10 per share.
- In respect of every Equity Share (Whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such Equity Share bears to the total paid up Equity capital of the Company.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

(ii) Reconciliation of Number of Equity Shares and Share Capital

Details	As at March 31, 2015		As at March 31, 2014	
	No.	₹ in Million	No.	₹ in Million
Fully Paid up Shares Outstanding as at beginning of the year	26,180,888	261.81	26,180,888	261.81
Fully paid up shares issued during the year	-	-	-	-
Fully paid up shares Outstanding as at end of the year	26,180,888	261.81	26,180,888	261.81

(iii) Details of Shares held by each shareholder holding more than 5% of the total equity shares of the company at the end of the year

Details	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Shares of Rs.10/- each fully paid up				
1) Prashant Sudhakar Talwalkar & Nalina Ann Talwalkar	2,876,080	10.99%	2,876,080	10.99%
2) Girish Madhukar Talwalkar & Nanda Girish Talwalkar	2,864,280	10.94%	2,864,280	10.94%
3) Madhukar Vishnu Talwalkar & Usha Madhukar Talwalkar	192,168	0.73%	2,832,280	10.82%
4) Anant Ratnakar Gawande & Yamini Anant Gawande	1,920,200	7.33%	1,920,200	7.33%
5) Vinayak Ratnakar Gawande & Madhuri Vinayak Gawande	1,920,200	7.33%	1,920,200	7.33%
6) Harsha Ramdas Bhatkal & Smeeta Harsha Bhatkal	1,560,200	5.96%	1,920,200	7.33%
7) Smallcap World Fund, Inc	1,694,000	6.47%	1,694,000	6.47%
8) Laxmi Shivanand Mankekar & Kedar Shivanand Mankekar	1,573,520	6.01%	1,573,520	6.01%
Total	14,600,648		17,600,760	

Note 3 : Reserves and Surplus

₹ in Million

Particulars	As at	As at
	March 31, 2015	March 31, 2014
(a) Securities Premium Account		
Opening Balance	1,066.27	1,066.27
Less :Premium Utilised		
Share Issue Expenses	0.68	-
Closing Balance	1,065.59	1,066.27
(b) Debenture Redemption Reserve		
Opening Balance	95.02	56.93
Add: Transferred during the year	48.03	38.09
Closing Balance	143.05	95.02
(c) General Reserve		
Opening Balance	35.33	18.63
Add: Transferred during the year	21.49	16.70
Closing Balance	56.82	35.33

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Particulars	As at March 31, 2015	As at March 31, 2014
(d) Surplus balance in the Statement of Profit and Loss		
Opening balance	852.10	618.82
Add: Profit for the year	429.84	334.01
Less Appropriation:		
Proposed Dividend on Equity Shares	39.27	39.27
Tax on Dividend	7.85	6.67
Debenture Redemption Reserve	48.03	38.09
Depreciation adjusted (Refer Note below)	8.02	-
Arrears of Depreciation	41.40	-
General Reserve	21.49	16.70
Closing Balance	1,115.88	852.10
Total	2,381.34	2,048.72

Note: As on 01.04.2014, where the remaining useful life of the asset is Nil as per the useful life given in the Schedule II to the Companies Act, 2013, Written Down Value of those specified assets after retaining the residual value has been recognised/adjusted in the opening balance of retained earnings.

Note 4 : Long Term Borrowings

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Bonds/Debentures (Refer Note (a) below)	750.00	533.33
(b) Term loans		
From banks (Refer Note (b & c) below)	1,601.73	695.13
(c) Long term maturities of finance lease (Refer Note (d) below)	6.05	10.05
Total	2,357.78	1,238.51

Notes:

a) Secured Taxable, Redeemable Non Convertible fixed rate debentures (Privately placed)

₹ in Million

S. No.	Nature of Debenture	Face Value per Debenture (₹)	Date of Allotment	As on March 31, 2015	As on March 31, 2014	Interest for 2014-15	Terms of Repayment of Debentures outstanding as on March 31, 2015
1	11.75% Secured, Taxable, Redeemable NCDs	1.00	03/01/2014	250.00	250.00	29.38	The principal amount of the Non-Convertible Debenture, interest due and any other monies payable by the company in respect of the Non-Convertible Debenture will be secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed such that a fixed asset cover of 1.25 times is maintained at all times during the tenor of the Non-Convertible Debenture. Non-Convertible Debenture will redeemed in three equal annual installment at the end of 4th, 5th and 6th year from the deemed date of allotment.
2	11.75% Secured, Taxable, Redeemable NCDs	1.00	25/04/2014	250.00	-	27.44	
3	9.8% Secured, Taxable, Redeemable NCDs	1.00	04/03/2015	250.00	-	1.88	
Total				750.00	250.00	58.70	

b) All loans are sanctioned by State Bank of India and are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets and Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage or registered mortgage of immovable premises of the Company, corporate guarantee and collateral security by way of equitable mortgage or registered mortgage of premises of third parties situated at Tardeo and Mahalaxmi, Mumbai.

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

c) Terms of repayment of Term loans

₹ in Million

Year	Term Loan 1	Term Loan 2	Corporate Loan	Total
2015-16	29.40	97.40	60.00	186.80
2016-17	84.00	97.50	60.00	241.50
2017-18	84.00	97.50	60.00	241.50
2018-19	84.00	97.50	60.00	241.50
2019-20	84.00	97.60	60.00	241.60
2020-21	103.60	131.75	81.00	316.35
2021-22	140.00	195.10	120.00	455.10
2022-23	91.00	126.90	78.00	295.90

d) Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
i) Minimum Lease Payments:		
- Not later than one year	5.77	5.77
- Later than one year but not later than five years	7.02	12.79
- Later than five years	-	-
Total	12.79	18.57
ii) Present Value of Minimum Lease Payments:		
- Not later than one year	3.65	4.46
- Later than one year but not later than five years	3.58	7.23
- Later than five years	-	-
	7.23	11.69
Add: Future finance charges	5.56	6.88
Total	12.79	18.57

Note 5 : Other Long Term Liabilities

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Acceptances (Refer note (a) below)	-	122.08
(b) Deposits (Refer note (b) below)	2.00	0.50
Total	2.00	122.58

Notes:

- Acceptances by Union Bank of India are secured through Letter of Comfort issued by State Bank of India to Union Bank of India in that respect.
- Refundable security deposit from Franchisee of ₹ 2 Million

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Note 6 : Short Term Borrowings

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured:		
Short-term loans	-	300.00
Total	-	300.00

Note 7 : Trade Payables

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables:		
Sundry Creditors	134.52	82.49
Total	134.52	82.49

Based on the intimation regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due and payable to suppliers covered under the above category

Note 8 : Other Current Liabilities

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Current maturities of long-term debts (Refer Note 4 (c) Long-Term Borrowings)	187.16	272.07
(b) Current maturities of finance lease obligations (Refer note (a) below)	4.08	3.34
(c) Current maturities of Non-Convertible Debentures	-	16.67
(d) Other payables		
Sundry creditors for capital goods	4.85	3.68
Statutory Dues Payable	49.49	58.72
(e) Interest accrued but not due on Non Convertible Debenture (Refer note (b) below)	36.61	12.73
(f) Current maturities of Acceptances	74.88	-
Total	357.07	367.21

Note (a): Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

(b): The Company has provided interest on 11.75% and 9.8% Redeemable Secured Non Convertible Debentures. Refer note 4 (a) of Long term borrowings

Note 9 : Short Term provisions

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits (Refer Note (a) below)	0.10	0.02
(b) Provisions - others		
i) Proposed Dividend	39.27	39.27
ii) Tax on Dividend	7.85	6.67
iii) Income Tax (Net of Advance tax)	68.96	95.33
iv) Provision for CSR activities	5.04	-
Total	121.22	141.29

Note

(a) All employee benefits payable wholly within twelve months of rendering the service are classified as a short term employee benefits. Benefits such as salaries, wages, contractual labour charges and short term compensated absences, etc is recognized in the period in which the employee/contractual labour renders the related service.

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

The gratuity liability is provided and charged off as revenue expenditure based on actuarial valuation. The company has subscribed to the group gratuity scheme policy of LIC of India.

Any other payments under the relevant labour statutes, wherever applicable are reimbursed to the Outsourced Agency as and when applicable.

Disclosure pursuant to Accounting Standard (AS) 15 (Revised):

The company's liability towards Gratuity as per provision of Accounting Standard (AS) 15 (Revised) on the basis of actuarial valuation has been covered by a LIC Group Gratuity Scheme. The company does not allow carry forward of compensated absences to employees. Accordingly, no provision has been made for compensated absences.

A. During the year additional provisions were created in respect of Gratuity, Ex-Gratia and Other Terminal Benefits as detailed below:-

During the year:

₹ in Million

Particulars	Gratuity	Leave Salary	Ex-Gratia and Other Terminal benefits	Total
Opening Balance	0.29	N A	NIL	0.29
Less:				
Paid / Adjusting During the year	NIL	NA	NIL	NIL
Add:				
Provision made during the year	0.10	NA	NIL	0.10
Closing Balance	0.39	N A	NIL	0.39

During the Previous year:

₹ in Million

Particulars	Gratuity	Leave Salary	Ex-Gratia and Other Terminal benefits	Total
Opening Balance	0.27	N A	NIL	0.27
Less:				
Paid / Adjusting During the year	NIL	N.A	NIL	NIL
Add:				
Provision made during the year	0.02	N.A	NIL	0.02
Closing Balance	0.29	N A	NIL	0.29

B. The employees long term benefits like Gratuity, Ex-Gratia and other terminal benefits are valued on actuarial basis and recognized in the statement of profit and loss. The assumption in the actuarial valuation of the gratuity provision is as under:

- Nature of Gratuity - Gratuity is payable to all eligible employees at the rate of 15 days of last drawn salary for each completed year of service subject to the maximum of ₹ 1 million for all employees who were on the roll as on 31.03.2015.
- The retirement age is taken as 60 years.
- Progression of future salary is taken into account while calculating the liability.
- Valuation Method: Projected unit credit method.
- Basis of Valuation:

Mortality Rate	LIC (1994-96)
Withdrawal Rate	1% to 3% depending age
Discount rate	8% p.a.
Salary Escalation	5%

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Note 10 : Fixed Assets

₹ in Million

Description	Gross Block			Accumulated Depreciation / Amortization				Net Block		
	As at April 1, 14	Additions	Deductions	As at Mar 31, 15	As at April 1, 14	For the Year	On Deductions	As at Mar 31, 15	As at Mar 31, 15	As at Mar 31, 14
1) Tangible Assets										
i) Building	524.85	-	-	524.85	20.26	8.37	-	28.63	496.22	504.59
ii) Gym Equipments	997.48	206.11	118.66	1,084.93	194.91	65.73	2.88	257.76	827.17	802.57
iii) Furniture & Fittings	2,110.41	265.28	164.72	2,210.97	263.69	197.55	10.05	451.19	1,759.78	1,846.72
iv) Computers	80.24	190.23	0.88	269.59	27.65	11.55	0.15	39.05	230.54	52.59
v) Air-Conditioners	197.89	81.86	25.81	253.94	32.51	12.82	1.73	43.60	210.34	165.38
vi) Electrical Fittings	263.34	86.71	20.33	329.72	57.75	30.31	1.83	86.23	243.49	205.59
vii) Office Equipment	121.67	98.68	7.02	213.33	13.51	31.96	0.14	45.33	168.00	108.16
viii) Vehicle	0.94	-	-	0.94	0.04	0.12	-	0.16	0.78	0.90
Asset Under Lease										
Vehicle	15.95	-	-	15.95	3.10	3.95	-	7.05	8.90	12.85
Total	4,312.77	928.87	337.42	4,904.22	613.42	362.36	16.78	959.00	3,945.22	3,699.35
Previous Year	3,286.73	1,083.25	57.21	4,312.77	395.74	221.61	3.93	613.42	3,699.35	2,890.99
2) Intangible Assets										
i) Goodwill	56.60	-	-	56.60	17.16	4.44	-	21.60	35.00	39.44
Total	56.60	-	-	56.60	17.16	4.44	-	21.60	35.00	39.44
Previous Year	56.60	-	-	56.60	16.09	1.06	-	17.16	39.44	40.50
3) Capital Work-in-Progress	340.71	228.53	-	569.24	-	-	-	-	569.24	340.71
4) Intangible Asset under development	3.32	-	-	3.32	-	-	-	-	3.32	3.32
Total								4,552.78	4,079.50	

Note 11 : Non Current Investments

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Non Trade Investments		
(Valued at cost unless stated otherwise)		
Investment in Equity Instruments		
Unquoted Investment		
i) Investment In Joint Ventures:		
a) Splendor Fitness Private Limited (formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) [1,40,000 (Previous year 1,40,000) Equity Shares of ₹100/- each fully paid-up]	50.00	50.00
ii) Investment in Subsidiaries :		
a) Denovo Enterprises Private Limited [50,100 (Previous year 50,100) Equity Shares of ₹ 100/- each fully paid-up]	5.01	5.01
b) Aspire Fitness Private Limited [50,001 (Previous year 50,001) Equity Shares of ₹ 100/- each fully paid-up]	5.00	5.00
c) Jyotsna Fitness Pvt.Ltd [1,001 Equity Shares of ₹ 100/-each fully paid-up]	0.10	0.10
d) Talwalkars Club Pvt.Ltd [10,000 Equity Shares of ₹ 10/-each fully paid-up]	0.10	-
Share Application Money in Subsidiaries (pending allotment)		
Denovo Enterprises Private Limited	7.50	7.50
Jyotsna Fitness Private Limited	4.60	4.60
Investment in Mutual Funds		
Quoted Investment		
DWS Treasury Fund Cash Reg. - DDP	-	37.29
Total	72.31	109.50

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Note 12 : Long Term Loans and Advances

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Capital Advances		
Unsecured, considered good	54.61	1.27
(b) Security Deposits		
Unsecured, considered good	202.65	172.15
(c) Other loans & advances		
i) Loans & Advance to related parties	70.69	-
ii) Minimum Alternate Tax credit entitlement	5.86	26.25
Total	333.81	199.67

Note 13 : Other non-current assets

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Fixed deposit(Pledged as Bank guarantee)	0.09	0.09
Total	0.09	0.09

Note 14 : Current Investment

₹ in Million

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	₹ in Million	No.	₹ in Million
Quoted Investment				
(Valued at lower of cost and Market value unless stated otherwise)				
Investment in Mutual Funds				
Axis Liquid Fund	177	0.22	177	0.22
(Market value as on 31.03.2015 is ₹ 0.27 million)				
Total	177	0.22	177	0.22

Note 15 : Inventories

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Traded goods	0.42	0.63
(Valued at lower of cost and net realizable value)		
Total	0.42	0.63

Note 16: Trade Receivables

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
(a) More than 6 months (from the date they are due for payment)	12.24	19.94
(b) Others	281.86	254.26
Total	294.10	274.20

The Company is in the process of obtaining Balance confirmation from debtors and the management believes that impact of such non-confirmation/ non reconciliation will not have any material impact to the financials.

Note 17 : Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Balance with banks		
i) Bank balance in current account	63.02	1.74
ii) Other Bank deposits	336.35	24.34
(b) Cash on Hand	43.73	15.48
Total	443.10	41.56

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Note: Details of other Bank Deposits

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Deposits with Original maturity for more than 12 months	250.00	-
(b) Deposits with original maturity for more than 3 but less than 12 months	48.79	24.26

Note 18 : Short Term Loans and Advances

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Loans and Advances to related parties	57.74	55.13
(b) Others		
i) Advances recoverable in Cash or Kind for value to be received	54.16	7.41
ii) Prepaid expenses	48.52	15.68
iii) Service Tax credit receivable	3.30	3.04
iv) Input VAT	0.02	0.02
Total	163.74	81.28

Note 19 : Revenue from Operations

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Gross fees including Service Tax	2,133.95	1,703.03
(b) Franchisee fees including Service Tax	33.89	24.64
(c) Management and consultancy Fees	1.43	2.69
(d) Input credit Service Tax	71.43	67.53
(e) Sales (retail)	0.15	2.58
Total	2,240.85	1,800.47

Note 20 : Other Income

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Dividend income	0.30	1.93
(b) Interest on bank term deposits	5.49	4.52
(c) Sundry credit balances no longer payable	0.77	0.46
(d) Other non operating income	1.30	1.35
Total	7.86	8.26

Note 21: Changes in Inventories

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Inventories at the beginning of the year		
Traded goods	0.63	1.55
(b) Inventories at the end of the year		
Traded goods	0.42	0.63
(Increase)/ Decrease	0.21	0.92

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Note 22 : Purchase of Stock-in-trade

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Purchase of goods for merchandise	-	1.18
Total	-	1.18

Note 23 : Employee Benefit Expenses

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Salaries, wages and Bonus	15.58	13.63
(b) Contract fees for Labour/Security/Housekeeping	276.71	264.57
(c) Directors' Remuneration	14.70	15.75
(d) Contribution towards Provident and other Funds	0.10	0.02
Total	307.09	293.97

Note 24 : Financial Costs

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Interest expenses		
i) Interest on secured loan	94.12	84.07
ii) Interest on unsecured loan	5.83	-
(b) Other borrowing costs		
i) Bank charges	2.05	3.03
ii) Credit card charges	7.14	8.50
Total	109.14	95.60

Note 25 : Depreciation & Amortisation Expenses

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Depreciation & Amortization expenses	366.77	222.66
Total	366.77	222.66

Note 26 : Other Expenses

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(a) Administrative & Other Expenses		
Statutory & Tax Audit fees	1.91	1.91
Internal audit fees	3.50	3.48
Electricity and fuel expenses	68.67	81.19
Insurance charges	1.42	1.77
Printing and stationery	3.17	3.16
Professional fees	10.00	9.67
Rates and taxes	6.36	8.54
Interest on late payment of statutory dues	15.72	6.32
Rent	188.20	182.05

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Repairs and maintenance		
- Building, Gym Equipment and Machinery	10.96	10.63
- Others	10.12	9.81
Telephone expenses	8.29	8.10
Travelling and conveyance expenses	2.85	2.75
Water charges	6.43	6.34
Other Expenses	9.73	10.84
Lease rentals	168.64	118.34
Asset management fees	24.19	23.65
Directors' sitting fees	0.49	0.26
Expenses related to CSR activities	7.55	-
Loss on foreign currency transactions and translation	0.05	0.02
Total	548.25	488.83
(b) Selling & Marketing Cost		
Advertising expenses	17.06	16.87
Business promotion expenses	2.57	2.05
Total	19.63	18.92
Total (a+b)	567.88	507.75

Note 27 : Exceptional Items

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit/(Loss) on sale of assets	-	(0.28)
Total	-	(0.28)

Note 28 : Current tax

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Current tax	191.51	110.79
Total	191.51	110.79

Note 29 : Details of Deferred Tax Asset / Liability are as under:

₹ in Million

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Deferred Tax Liability*	17.47	42.63
Total	17.47	42.63

* Due to depreciation

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

OTHER NOTES TO THE FINANCIAL STATEMENTS:

Note 30: Contingent Liabilities:

Contingent liabilities not provided for in respect of:

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Bank Guarantee given on behalf of Subsidiaries	559.75	102.83
Claim from a landlord, case pending before the Judiciary - Hyderabad	29.49	32.38
Claim pending before statutory authorities - Income Tax	-	80.63
Cases pending before consumer courts	0.20	-

- The operations of one of our Fitness Centers at Hyderabad had to be shifted due to some disputes. The Company has already filed legal cases against the same and on the basis of the advice of its legal counsel, is confident of favorable outcome and early recommencement of operations of the branch. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- The Income Tax demand was raised for A.Y. 2010-11 on account of adhoc additions. The Company had filed an appeal against the same and paid ₹ 25 million under protest. The appeal is partly allowed and the Company is eligible for a refund of ₹ 25 million paid under protest.

Note 31: Disclosure Pursuant to Accounting Standard (AS) 13:

The details of investments in subsidiaries are as follows:

Name of the Company	% ownership interest as at March 31, 2015
Denovo Enterprises Private Limited	50.10
Equinox Wellness Private Limited	33.33*
Aspire Fitness Private Limited	50.001
Jyotsna Fitness Private Limited	50.10
Talwalkars Club Private Limited	100.00

* effective ownership due to 66.67% holding of Denovo Enterprises Private Limited in Equinox Wellness Private Limited.

Note 32: Earnings Per Share:

The Following table sets forth the computation of Basic & Diluted Earnings Per Share:

Particulars	2014-15	2013-14
Net profit after tax attributable to Equity shareholders [₹ in Million]	429.84	334.01
Weighted average number of equity shares	2,61,80,888	2,61,80,888
Face value of shares [₹]	10.00	10.00
Earnings per share – Basic [₹]	16.42	12.76
Earnings per share – Diluted [₹]	16.42	12.76

Note 33: Disclosure Pursuant to Accounting Standard (As)-17:

- There is only one reportable business segment as envisaged by (AS)17 'Segment Reporting'. Accordingly, no separate disclosure for the segment reporting is required to be made in the Financial Statement of the Company.
- Secondary segmentation based on geography has not been presented as the company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Note 34: Related Party Disclosures:

- Disclosure as required by the Accounting Standard-18, (AS) "Related Party Disclosures" is given below:

List of Related Parties:

Key Management Personnel

- Mr. Anant Gawande (Whole-time Director & Chief Financial Officer)
- Mr. Girish Talwalkar (Executive Chairman)
- Mr. Harsha Bhatkal (Whole-time Director)

Significant accounting policies and notes to the Standalone Financial Statements for the year ended 31st March, 2015

- Mr. Madhukar Talwalkar (Whole-time Director)
- Mr. Prashant Talwalkar (Managing Director & Chief Executive Officer)
- Mr. Vinayak Gawande (Whole-time Director)

Relatives of Key Management Personnel

- Mrs. Yamini Anant Gawande

Subsidiaries

- Aspire Fitness Private Limited
- Denovo Enterprises Private Limited
- Jyotsna Fitness Private Limited
- Talwalkars Club Private Limited

Step-down Subsidiary

- Equinox Wellness Private Limited

Enterprises over which Key Management Personnel & their relatives exercise significant influence:

- Anant Gawande (HUF)
- Anfin Investments Private Limited
- Better Value Brands Private Limited
- Better Value Leasing & Finance Ltd
- Better Value Properties Private Limited
- Better Value Restaurants Private Limited
- Empower Systech Pvt. Ltd.
- Gawande Consultants Private Limited
- G R Bhatkal Foundation
- S K Restaurants Private Limited
- Indian Cookery.com Private Limited
- Life Fitness India Private Limited
- Nitin Gawande (HUF)
- Pinnacle Fitness Private Limited
- Popular Institute of Arts Private Limited
- Popular Prakashan Private Limited
- R2 Infrastructure Private Limited
- R2 Spa Systems
- Raja Rani Travels Private Limited
- Radhika Hotels Private Limited
- Ratnakar Krishnaji Gawande (HUF)
- Talwalkars
- Talwalkars Spa System
- Talwalkars Fitness Club
- Talwalkars Health & Leisure
- Talwalkars Health Club
- Talwalkars Health Commune
- Talwalkars Health Complex
- Talwalkars Nutrition Centre

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

- Vrindavan
- Vinayak Gawande (HUF)
- Vrindavan Restaurant Private limited

a) Transactions with Related Parties :

₹ in Million

Nature of transactions	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
Investments incl. Share Application Money	0.10	-	-	-	0.10
Incomes	7.80	-	-	-	7.80
Expenses	-	25.80	2.56	-	28.36
Director's Remuneration	-	-	24.15	-	24.15
Loans & Advances (given)/ repaid Net	72.96	0.61	-	-	73.56

Balance as on 31st March, 2015:

₹ in Million

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
Investments incl. Share Application Money	22.21	-	-	50.00	72.21
Sundry Debtors	12.16	0.28	-	-	12.44
Deposits	-	6.41	1.31	-	7.71
Loans and Advances	49.84	4.37	-	-	54.21
Sundry Creditors	-	0.45	-	-	0.45
Asset	-	1.16	-	-	1.16

Transactions with Related Parties pursuant to Accounting Standard-18, (AS) "Related Party Disclosures"

Key management personnel and their Relatives :

₹ in Million

Name of the party	Nature of transaction	As at March 31, 2015	As at March 31, 2014
Mr. Madhukar Talwalkar	Director's Remuneration	4.20	4.20
Mr. Prashant Talwalkar	Director's Remuneration	4.20	4.20
	Rent for Premises	2.56	2.25
	Deposit outstanding as on	1.31	1.31
Mr. Girish Talwalkar	Director's Remuneration	3.15	4.20
Mr. Vinayak Gawande	Director's Remuneration	4.20	4.20
Mr. Harsha Bhatkal	Director's Remuneration	4.20	4.20
Mr. Anant Gawande	Director's Remuneration	4.20	4.20

Joint Ventures / Subsidiaries:

₹ in Million

Name of the party	Nature of transaction	As at March 31, 2015	As at March 31, 2014
Splendor Fitness Pvt. Ltd. (formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.)	Investment in Equity Shares as on	50.00	50.00
Denovo Enterprises Pvt. Ltd	Franchise fee Income	3.81	4.02
	Franchise fee receivable as on	9.52	5.71
	Advance recoverable (Net)	0.85	5.94
	Investment in Equity Shares as on	5.01	5.01
	Loan outstanding as on	42.89	42.89
	Share Application money as on	7.50	7.50

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Name of the party	Nature of transaction	As at March 31, 2015	As at March 31, 2014
Aspire Fitness Pvt. Ltd.	Share Application Money given		
	Advance recoverable (Net)	0.79	2.15
	Loan outstanding as on	3.08	3.08
	Interest income on Unsecured Loan	-	0.38
	Investment in Equity Shares as on	5.00	5.00
Equinox Wellness Pvt. Ltd.	Franchise fee Income	0.72	0.51
	Advance recoverable (Net)	0.22	0.17
	Franchise fees receivable as on	2.64	1.92
Jyotsna Fitness Pvt. Ltd.	Share application money as on	4.60	4.60
	Advance recoverable (Net)	0.40	0.43
	Franchise fee Income	2.62	2.02
	Interest income on unsecured loan	0.66	0.44
	Loan outstanding as on	3.87	3.92
	Investment in Equity Shares as on	0.10	0.10
Talwalkars Club Pvt. Ltd.	Advance recoverable (Net)	70.69	-
	Investment Equity Shares as on	0.10	0.10

Associate Companies/Firms :

₹ in Million

Name of the Party	Nature of transaction	As at March 31, 2015	As at March 31, 2014
Better Value Leasing & Finance Ltd.	Office expenses/Rent	9.69	0.15
	Interest on Unsecured Loans	23.19	-
	Loan outstanding as on	-	(1.54)
Gawande Consultants Pvt. Ltd.	Professional fees paid	0.17	-
Anfin Investments Pvt. Ltd.	Interest on Unsecured Loans	0.5	-
Better Value Properties Pvt. Ltd.	Deposit outstanding as on	3.71	3.71
	Rent for Premises	7.45	7.10
Life Fitness India Pvt. Ltd.	Loans & Advances given/ (taken) Net	-	(0.15)
	Loan outstanding as on	0.48	0.48
	Deposit outstanding as on	1.80	1.80
	Rent for premises	4.04	3.22
Pinnacle Fitness Pvt. Ltd.	Advances recoverable (Net)	0.01	0.10
	Franchise fee Income	-	1.39
	Franchise fee receivable as on	0.28	0.28
	Loan outstanding as on	0.41	0.41
Talwalkars Fitness Club	Deposit Outstanding as on	0.90	0.90
	Rent for Premises	3.37	3.37
	Loan outstanding as on	0.51	0.51
Talwalkars Health & Leisure	Advances recoverable (Net)	0.32	0.72
	Loan outstanding as on	1.42	1.42
Talwalkars Health Club	Advances recoverable (Net)	0.21	0.42
	Loan outstanding as on	0.55	0.55
Talwalkars Health Complex	Advances recoverable (Net)	0.06	0.17
	Loan outstanding as on	0.78	0.78
Talwalkars	Loan outstanding as on	0.09	0.09

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Name of the Party	Nature of transaction	As at March 31, 2015	As at March 31, 2014
Talwalkars Nutrition Centre	Loans & Advances given/ (repaid) Net	0.00	0.14
	Loan outstanding as on	0.11	0.26
Empower Systech Pvt.Ltd	Professional Fees	0.54	3.29
	Expenses Payable as on	0.03	0.09
R2Spa Sysytems	Asset Purchase	1.16	1.69
	Service Charges	0.70	0.55
	Creditors payable as on	0.42	2.67

b) Corporate Guarantees given to:

₹ in Million

Name of the company	Relation	As at March 31, 2015	As at March 31, 2014
Denovo Enterprises Private Limited	Subsidiary	19.75	61.58
Aspire Fitness Private Limited	Subsidiary	40.00	37.50
Equinox Wellness Private Limited	Subsidiary	-	3.75
Talwalkars Club Private Limited	Subsidiary	500.00	-

No amounts due to/due from related parties has been written off/written back during the year

Note 35: Auditors' Remuneration (inclusive of service tax):

₹ in Million

Particulars	2014-15	2013-14
Statutory Audit Fees	2.02	2.02
Tax Audit Fees	0.22	0.22
Other Services	0.08	0.03
Out of Pocket expenses	0.22	0.25

Note 36: Estimated amounts of contracts remaining to be executed on capital accounts and not provided for were ₹ 6.23 million during current year. (Previous year ₹ 1.16 million)

Note 37: Value of Imports on CIF Basis:

₹ in Million

Particulars	2014-15	2013-14
Gymnasium Equipments	-	62.73
Products	-	0.63

Note 38: Earnings in Foreign Currency:

- 0.64

Note 39: Expenditure in Foreign Currency:

Travelling Expenses	1.44	0.42
Consultancy fees	3.64	2.91

Note 40: Sale & Lease Back:

The Company has taken various assets/ equipments under cancellable operating lease.

- Profit or loss on sale and lease back transactions, resulting in operating leases, are recognized immediately whereas in case of finance leases, are deferred and amortized over the lease term.
- Quarterly lease rentals are paid in form of fixed rentals.
- The Company does not have an option to buyback nor does it generally have an option to renew the leases.
- In case of delayed payments, penal charges are payable as stipulated.
- The lease rental expenses of ₹ 168.64 million are recognized (Previous year ₹ 118.34 million) on account of sale and lease back of assets.

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2015

Note 41: Based on the intimations regarding their status under Micro, Small & Medium Enterprises Development Act, 2006, there are no amounts due and payable to suppliers covered under the above category.

Note 42: Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's classification.

As per our report of even date attached

For M.K. Dandekar & Co.,

Chartered Accountants

ICAI FRN: 000679S

S.Poosaidurai

Partner

Membership No. 223754

Place : Mumbai

Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar

Prashant Talwalkar

Vinayak Gawande

Anant Gawande

Manohar Bhide

Avinash Phadke

Mohan Jaykar

Raman Maroo

Abhijeet Patil

Avanti Sankav

Executive Chairman

Managing Director & CEO

Whole time Director

Whole time Director & CFO

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Company Secretary & Compliance Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TALWALKARS BETTER VALUE FITNESS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TALWALKARS BETTER VALUE FITNESS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate

in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of Aspire Fitness Private Limited, Talwalkars Club Private Limited and Jyotsna Fitness Private Limited, whose financial statements / financial information reflect total assets of ₹ 638.89 Million as at 31st March, 2015, total revenues of ₹ 157.25 Million and net cash flows amounting to ₹ 6.59 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of Denovo Enterprises Private Limited and Equinox Wellness Private Limited, subsidiaries whose consolidated financial statements reflect total assets of ₹ 337.42 Million as at 31st March, 2015, total revenue of ₹ 95.61 Million, net cash flows amounting to ₹ 1.63 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Acts insofar as it relates to the aforesaid subsidiaries, is based solely on such approved unaudited financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. In our opinion, the accounting impact of Holding Company's policy on Impairment of Assets needs to be reviewed.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the

Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) As mentioned in note 15 to the consolidated financial statements, the balances of certain receivables are subject to confirmations and reconciliations;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note B (1) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For M.K. Dandekar & Co.,
Chartered Accountants
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner

Chartered Accountants
Membership No. 223754

Date: 7th May, 2015
Place: Mumbai

Annexure to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Group on the consolidated financial statements for the year ended 31st March 2015, we report that:

- (i) (a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets to the extent applicable.
- (b) The Group has a regular programme of physical verification of fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Group and the nature of its fixed assets.
- (ii) (a) As explained to us, inventories to the extent applicable have been physically verified during the period by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business.
- (c) The Group has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on such physical verification as compared to the book records.
- (iii) The Holding Company has granted interest free loans to its subsidiaries which are covered in the register maintained under section 189 of the Companies Act, 2013.
The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(a) and (b) of the Order is not applicable to the Company in respect of receipt/recovery of the principal and interest amount.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of their business with regard to purchase of fixed assets, inventory and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Group has not accepted any Deposits as per the provisions of section 73 and 76 of the Companies Act, 2013. Accordingly, the reporting requirement under paragraph 4(v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost accounting records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Group.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Group, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Group with the appropriate authorities, except in case of a Subsidiary which is not regular in depositing applicable undisputed statutory dues including income tax, service tax with the appropriate authorities. There were no material undisputed amounts payable by the Group in respect of Statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (viii) The Group does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Group has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof is prejudicial to the interest of the Group.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised.
- (xii) During the course of our examination of the books and records of the Group, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Group, noticed or reported during the period, nor have we been informed of any such case by the management of the Group.

For M.K. Dandekar & Co.,
Chartered Accountants
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner

Date: 7th May, 2015
Place: Mumbai

Chartered Accountants
Membership No. 223754

CONSOLIDATED BALANCE SHEET as at 31st March, 2015

₹ In Million

Particulars	Notes to Accounts No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY & LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	261.81	261.81
(b) Reserves and Surplus	2	2,506.63	2,143.11
2) Minority Interest			
		135.55	112.52
3) Non-Current Liabilities			
(a) Long Term Borrowings	3	2,778.56	1,373.15
(b) Deffered Tax Liabilities (Net)		253.48	237.51
(c) Other Long Term Liabilities	4	11.44	131.69
4) Current Liabilities			
(a) Short Term Borrowings	5	6.95	307.54
(b) Trade Payables	6	146.23	98.22
(c) Other Current Liabilities	7	403.33	414.07
(d) Short Term Provisions	8	159.88	177.03
TOTAL		6,663.86	5,256.65
II. ASSETS			
1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		4,395.26	4,012.44
(ii) Intangible Assets		35.01	39.45
(iii) Capital Work-In-Progress		779.20	449.93
(iv) Intangible Assets under Development		3.32	3.32
(b) Non-Current Investments	10	50.50	87.79
(c) Long Term Loans and Advances	11	299.61	241.61
(d) Other Non-Current Assets	12	1.50	1.58
2) Current Assets			
(a) Current Investments	13	0.22	0.22
(b) Inventories	14	0.42	0.63
(c) Trade Receivables	15	340.98	320.45
(d) Cash and Cash Equivalents	16	465.57	60.03
(e) Short Term Loans and Advances	17	292.27	39.20
TOTAL		6,663.86	5,256.65
Summary of significant accounting policies	28		
The accompanying notes are forming part of the Consolidated Financial Statements			

As per our report of even date attached

For M.K. Dandekar & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 7th May, 2015

For and on behalf of the Board

For and on behalf of the Board
Girish Talwalkar
Prashant Talwalkar
Vinayak Gawande
Anant Gawande
Manohar Bhide
Avinash Phadke
Mohan Jaykar
Raman Maroo
Abhijeet Patil
Avanti Sankav

Executive Chairman
Managing Director & CEO
Whole time Director
Whole time Director & CFO
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
Company Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

₹ In Million

Particulars	Notes to Accounts No.	For the year Ended March 31, 2015	For the year Ended March 31, 2014
1) REVENUE			
(a) Revenue from Operations	18	2,525.60	2,094.56
Less: Service Tax		269.05	221.82
		2,256.55	1,872.74
(b) Other Income	19	8.56	10.77
Total Revenue		2,265.11	1,883.51
2) EXPENSES			
(a) Changes in Inventories	20	0.21	0.92
(b) Purchase of Stock in Trade	21	-	1.18
(c) Employee Benefit Expenses	22	369.20	358.61
(d) Financial Costs	23	127.79	119.66
(e) Depreciation and Amortization Expenses	24	397.29	241.77
(f) Other Expenses	25	641.87	584.91
Total Expenses		1,536.36	1,307.05
3) Profit before exceptional and extraordinary items and tax (1 - 2)		728.75	576.46
4) Exceptional Items	26	-	(0.28)
5) Profit before extraordinary items and tax (3 + 4)		728.75	576.18
6) Extraordinary Items		-	-
7) Profit Before Tax for the year (5 + 6)		728.75	576.18
8) Tax Expense:			
(a) Current Tax	27	208.76	125.19
MAT Credit Reversal / (Entitlement)		20.17	7.87
(b) Deferred Tax		16.53	45.37
(c) Prior Year Tax		(0.49)	(0.04)
9) Profit for the year from continuing operations (7 - 8)		483.78	397.79
10) Profit/(Loss) from discontinuing operations		-	-
11) Profit for the year (9 + 10)		483.78	397.79
12) Share of Minority Interest		23.03	31.90
13) Profit after Minority Interest		460.75	365.89
14) Earning per Equity Share (of ₹ 10/- each) :			
(a) Basic	28 (B) (3)	17.60	13.98
(b) Diluted	28 (B) (3)	17.60	13.98
Summary of significant accounting policies	28		
The accompanying notes are forming part of the Consolidated Financial Statements			

As per our report of even date attached

For M.K. Dandekar & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar
Prashant Talwalkar
Vinayak Gawande
Anant Gawande
Manohar Bhide
Avinash Phadke
Mohan Jaykar
Raman Maroo
Abhijeet Patil
Avanti Sankav

Executive Chairman
Managing Director & CEO
Whole time Director
Whole time Director & CFO
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
Company Secretary & Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2015

₹ In Million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Taxes	728.75	576.18
Non-cash expenses	397.36	241.77
Finance cost (net)	127.84	119.66
Income from investment activity	(0.38)	(1.93)
(Profit)/Loss on sale of assets	-	0.28
Interest income	(0.25)	(0.68)
	524.57	359.10
Operating Profit before working capital changes	1,253.32	935.28
(Increase)/Decrease in current assets	(337.67)	(10.29)
(Increase)/Decrease in non-current assets	(0.36)	0.02
(Increase)/Decrease in trade and other receivables	(26.79)	(152.42)
Increase/(Decrease) in trade and other payables	27.35	48.19
Increase/(Decrease) in current liabilities	(2.76)	9.09
	(340.23)	(105.40)
Cash generated from operations	913.09	829.87
Direct taxes paid	(223.63)	(103.33)
Share of minority interest	(51.34)	(67.71)
Net cash from Operating Activities	638.12	658.83
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in subsidiary	(0.10)	-
Payment towards purchase of fixed assets, capital work-in-progress	(1,368.37)	(1,129.75)
Proceeds from sale of fixed assets	306.83	44.95
Dividend received	0.38	1.93
Purchase of short term investments	(216.30)	(412.80)
Proceeds from sale of short term investments	253.59	568.86
Interest income	0.25	0.68
Share of minority interest	42.20	53.10
Net cash used in Investing Activities	(981.52)	(873.03)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2015

₹ In Million

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Equity share capital issue proceeds	0.10	-
Issue proceeds from non-convertible debentures	500.00	250.00
Non-convertible debentures interest	(65.15)	(62.77)
Repayment of non-convertible debentures	(300.00)	(250.00)
Qualified Institutional Placement related expenses	(0.68)	-
Borrowings done	3,161.32	995.40
Repayment of long term and other borrowings	(2,325.69)	(702.81)
Finance cost paid	(184.16)	(154.28)
Dividend paid	(39.27)	(39.27)
Dividend tax paid	(6.67)	(6.37)
Share of minority interest	8.58	22.66
Net cash from Financing Activities	748.38	52.56
NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	404.97	(161.62)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	51.14	212.76
Cash and bank balances including fixed deposits	466.71	61.17
Share of minority interest	(10.60)	(10.03)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	456.11	51.14

As per our report of even date attached

For M.K. Dandekar & Co.,

Chartered Accountants

ICAI FRN: 000679S

S.Poosaidurai

Partner

Membership No. 223754

Place : Mumbai

Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar

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Whole time Director

Whole time Director & CFO

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Company Secretary & Compliance Officer

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 1 : Share Capital

	As at March 31, 2015		As at March 31, 2014	
	No.	₹ In Million	No.	₹ In Million
AUTHORISED:				
30,000,000 Equity Shares of ₹ 10/- each	30,000,000	300.00	30,000,000	300.00
	30,000,000	300.00	30,000,000	300.00
ISSUED, SUBSCRIBED & PAID-UP:				
2,61,80,888 Equity Shares of ₹ 10/- each fully paid-up	26,180,888	261.81	26,180,888	261.81
(Previous year 2,61,80,888 Equity shares of ₹ 10/- each fully paid-up)				
	26,180,888	261.81	26,180,888	261.81

i) Term/Rights attached to Equity Shares:

- The Company has only one class of share capital namely Equity Shares having a face value of ₹ 10/- per share.
- In respect of every Equity Share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such Equity Share bears to the total paid up Equity capital of the Company.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

ii) Reconciliation of Number of Equity Shares and Share Capital

	As at March 31, 2015		As at March 31, 2014	
	No.	₹ In Million	No.	₹ In Million
Fully paid up shares outstanding as at beginning of the year	26,180,888	261.81	26,180,888	261.81
Fully paid up shares issued during the year	-	-	-	-
Fully paid up shares outstanding as at end of the year	26,180,888	261.81	26,180,888	261.81

iii) Details of Shares held by each shareholder holding more than 5% of the total equity shares of the Company at the end of the year

	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity Shares of ₹ 10/- each fully paid-up				
1) Prashant Sudhakar Talwalkar & Nalina Ann Talwalkar	2,876,080	10.99	2,876,080	10.99
2) Girish Madhukar Talwalkar & Nanda Girish Talwalkar	2,864,280	10.94	2,864,280	10.94
3) Madhukar Vishnu Talwalkar & Usha Madhukar Talwalkar	192,168	0.73	2,832,280	10.82
4) Anant Ratnakar Gawande & Yamini Anant Gawande	1,920,200	7.33	1,920,200	7.33
5) Vinayak Ratnakar Gawande & Madhuri Vinayak Gawande	1,920,200	7.33	1,920,200	7.33
6) Harsha Ramdas Bhatkal & Smeeta Harsha Bhatkal	1,560,200	5.96	1,920,200	7.33
7) Smallcap World Fund, Inc	1,694,000	6.47	1,694,000	6.47
8) Laxmi Shivanand Mankekar & Kedar Shivanand Mankekar	1,573,520	6.01	1,573,520	6.01
Total	14,600,648		17,600,760	

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended 31st March, 2015

Note 2 : Reserves and Surplus

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Securities Premium Account		
Opening balance	1,066.27	1,066.27
Less: Premium utilised:		
Share issue expenses	0.68	-
Closing balance	1,065.59	1,066.27
(b) Capital Reserve on Consolidation		
Opening balance	1.93	1.93
Add: Transferred during the year	-	-
Closing balance	1.93	1.93
(c) Debenture Redemption Reserve		
Opening balance	95.02	56.93
Add: Transferred during the year	48.03	38.09
Closing balance	143.05	95.02
(d) General Reserve		
Opening balance	36.53	19.83
Add: Transferred during the year	21.49	16.70
Closing balance	58.02	36.53
(e) Surplus balance in Statement of Profit and Loss		
Opening balance	943.36	678.21
Add: Profit for the year	460.75	365.89
Less: Appropriations:		
Proposed dividend on equity shares	39.27	39.27
Tax on dividend	7.85	6.67
Debenture redemption reserve	48.03	38.09
Depreciation adjusted	8.03	-
Arrears of depreciation	41.40	-
General reserve	21.49	16.70
Closing balance	1,238.04	943.36
Total (a+b+c+d+e)	2,506.63	2,143.11

Note: As on 01.04.2014, where the remaining useful life of the asset is Nil as per the useful life given in the Schedule II to the Companies Act, 2013, Written Down Value of those specified assets after retaining the residual value has been recognised/adjusted in the opening balance of retained earnings.

Note 3 : Long Term Borrowings

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Bonds/debentures (refer note (a) below)	750.00	533.33
(b) Term loans from banks	1,902.02	795.34
(c) Loans and advances from related parties	49.48	34.43
(d) Long term maturities of finance lease obligations (refer note (b) below)	6.06	10.05
(e) Other loans and advances from others	71.00	-
Total	2,778.56	1,373.15

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note:

(a) Secured, Taxable, Redeemable Non-Convertible fixed rate Debentures (privately placed)

₹ In Million

S. No.	Nature of debentures	Face value per debenture	Date of allotment	As on March 31, 2015	As on March 31, 2014	Interest for 2014-15	Terms of repayment of debentures outstanding as on March 31, 2015
1.	11.75% Secured, Taxable, Redeemable NCDs	1.00	03/01/2014	250.00	250.00	29.38	The principal amount of the NCDs, interest due and any other monies payable by the Company in respect of the NCDs will be secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed such that a fixed asset cover of 1.25 times is maintained at all times during the tenor of the NCDs. NCDs will redeemed in three equal annual installment at the end of 4th, 5th and 6th year from the deemed date of allotment
2.	11.75% Secured, Taxable, Redeemable NCDs	1.00	25/04/2014	250.00	-	27.44	
3.	9.80% Secured, Taxable, Redeemable NCDs	1.00	04/03/2015	250.00	-	1.88	
Total				750.00	250.00	58.70	

(b) Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

Note 4 : Other Long Term Liabilities

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Acceptances	9.44	131.19
(b) Deposits	2.00	0.50
Total	11.44	131.69

Note 5 : Short Term Borrowings

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
Secured		
(a) Overdraft facility from bank	5.43	5.06
Unsecured		
(a) Short-term loans	-	300.00
(b) Loans and advances from related parties	1.52	2.48
Total	6.95	307.54

Note 6 : Trade Payables

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
Sundry Creditors	146.23	98.22
Total	146.23	98.22

Based on the intimation regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due and payable to suppliers covered under the above category. One of our group company is still in the process of identification of amounts owing to Small and Medium Enterprises defined in Small and Medium Enterprises Developments Act, 2006 as at the balance sheet date.

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 7 : Other Current Liabilities

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Current maturities of long-term debts	225.53	301.67
(b) Current maturities of finance lease obligations	4.58	4.40
(c) Current maturities of non-convertible debentures	-	16.67
(d) Current maturities of acceptances	74.88	-
(e) Interest accrued and due on borrowings	-	0.80
(f) Other payables		
i) Sundry creditors for capital goods	4.85	7.70
ii) Statutory dues payable	56.67	70.11
iii) Others	0.21	-
(g) Interest accrued but not due on non convertible debentures (refer note (a) below)	36.61	12.72
Total	403.33	414.07

Note:

- (a) The Company has provided interest on 11.75% and 9.80% Secured, Taxable, Redeemable Non-Convertible Debentures. Refer note 4 (a) of Long Term Borrowings

Note 8 : Short Term Provisions

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	0.10	0.02
(b) Provision - Others		
i) Proposed dividend	39.27	39.27
ii) Tax on dividend	7.85	6.67
iii) Income Tax (net of advance tax)	107.62	131.07
iv) Provision for CSR activities	5.04	-
Total	159.88	177.03

Note 9 : Fixed Assets

₹ In Million

Description	Gross Block			Accumulated Depreciation					Net Block	
	As at 1-Apr-14	Additions	Deductions	As at 31-Mar-15	As at 1-Apr-14	For the Year	On Deductions	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Tangible Assets										
i) Land	-	140.41	-	140.41	-	-	-	-	140.41	-
ii) Buildings	524.85	-	-	524.85	20.26	8.37	-	28.63	496.22	504.59
Assets under lease	20.47	-	-	20.47	4.83	0.69	-	5.52	14.95	15.64
iii) Gym Equipments	1,158.72	225.43	118.66	1,265.49	216.24	76.13	2.87	289.50	975.99	942.48
iv) Furniture & Fittings	2,227.73	273.65	165.56	2,335.82	286.91	208.94	10.05	485.80	1,850.02	1,940.82
v) Computers	87.28	190.39	0.88	276.79	30.73	13.90	0.15	44.48	232.31	56.54
vi) Air-Conditioners	240.98	81.90	25.81	297.07	36.19	15.60	1.71	50.08	246.99	204.80
vii) Electrical fittings	281.03	86.71	20.33	347.41	59.24	32.18	1.83	89.59	257.82	221.78
viii) Office Equipments	124.95	98.68	7.02	216.61	13.75	32.88	0.14	46.49	170.12	111.20
viiii) Vehicle	1.98	-	-	1.98	0.24	0.21	-	0.45	1.53	1.74
Assets under lease	15.95	-	-	15.95	3.10	3.95	-	7.05	8.90	12.85
Total	4,683.94	1,097.17	338.26	5,442.85	671.49	392.85	16.75	1,047.59	4,395.26	4,012.44
Previous Year	3,551.33	1,242.42	109.82	4,683.93	439.16	240.68	8.35	671.49	4,012.44	3,112.16
Intangible Assets										
i) Goodwill	56.60	-	-	56.60	17.16	4.43	-	21.60	35.01	39.44
ii) Licenses and franchise	0.30	-	-	0.30	0.29	0.01	-	0.30	-	0.01
Total	56.90	-	-	56.90	17.45	4.44	-	21.90	35.01	39.45
Previous Year	56.90	-	-	56.90	16.36	1.10	-	17.46	39.45	40.54
Capital Work-in-Progress									779.20	449.93
Intangible Asset under Development									3.32	3.32
Total									5,212.79	4,505.14

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 10 : Non-Current Investments

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
Non Trade Investments		
(Valued at cost unless stated otherwise)		
Investment in Equity Instruments		
Unquoted Investment		
Investment In Joint Ventures:		
i) Splendor Fitness Private Limited (formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) [1,40,000 (Previous year 1,40,000) equity shares of ₹ 100/- each fully paid-up]	50.00	50.00
ii) Apna Sahakari Bank [5,000 equity shares (Previous year 5,000) of ₹ 100/- each fully paid-up]	0.50	0.50
Investment in Mutual Funds		
Quoted Investment		
DWS Treasury Fund Cash Reg. - DDP	-	37.29
Total	50.50	87.79

Note 11 : Long Term Loans and Advances

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Capital advances		
Unsecured, considered good	54.61	1.27
(b) Security deposits		
Unsecured, considered good	222.88	193.69
(c) Loans and advances to related parties		
Unsecured, considered good	15.55	19.69
(d) Other loans and advances		
Minimum Alternate Tax credit entitlement	6.57	26.96
Total (a + b + c + d)	299.61	241.61

Note 12 : Other Non-Current Assets

₹ In Million

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Unamortised preliminary expenses	0.36	0.44
(b) Fixed deposit (pledged as bank guarantee)	1.14	1.14
Total	1.50	1.58

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 13 : Current Investment

Particulars	As at March 31, 2015		As at March 31, 2014	
	No.	₹ In Million	No.	₹ In Million
Quoted Investment				
Investment in Mutual Funds				
Axis Liquid Fund	177.00	0.22	177.00	0.22
Total	177.00	0.22	177.00	0.22

(Valued at lower of cost and market value unless stated otherwise)

Market value as at March 31, 2015 is ₹ 0.27 Million

Note 14 : Inventories

₹ In Million

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Traded goods	0.42	0.63
(Valued at lower of cost and net realizable value)		
Total	0.42	0.63

Note 15 : Trade Receivables

₹ In Million

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Unsecured, considered good		
(a) More than 6 months from the date they are due for payment	12.24	19.94
(b) Other	328.74	300.51
Total	340.98	320.45

The Company is in the process of obtaining balance confirmation from debtors and the management believes that impact of such non-confirmation/ non-reconciliation will not have any material impact to the financials.

Note 16 : Cash and Cash Equivalents

₹ In Million

Particulars	As at	As at
	March 31, 2015	March 31, 2014
(a) Balance with banks		
i) Bank balance in current accounts	64.64	1.77
ii) Other bank deposits	338.37	26.65
iii) Bank gurantee	2.63	1.01
(b) Cheques and drafts on hand	11.22	11.70
(c) Cash on hand	48.71	18.90
Total	465.57	60.03

Note 17 : Short Term Loans and Advances

₹ In Million

Particulars	As at	As at
	March 31, 2015	March 31, 2014
(a) Loans and advances to related parties	5.24	4.65
(b) Other short term loans and advances	172.00	-
(c) Others		
i) Advances recoverable in cash or kind for value to be received	56.08	8.69
ii) Prepaid expenses	48.82	16.06
iii) Service tax credit receivable	9.81	8.72
iv) Others	0.30	1.06
v) Input VAT	0.02	0.02
Total	292.27	39.20

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 18 : Revenue from Operations

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
(a) Gross fees including service tax	2,418.06	1,996.58
(b) Franchisee fees including service tax	26.32	17.28
(c) Management and consultancy fees including service tax	1.43	2.69
(d) Sales (retail)	0.16	2.58
(e) Input credit service tax	79.63	75.43
Total	2,525.61	2,094.56

Note 19 : Other Income

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
(a) Dividend income	0.38	1.98
(b) Interest on bank term deposits	5.74	5.35
(c) Sundry credit balances no longer payable	0.76	1.76
(d) Other non-operating income	1.68	1.68
Total	8.56	10.77

Note 20 : Changes in Inventories

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
(a) Inventories at the end of the year		
Traded goods	0.42	0.63
(b) Inventories at the beginning of the year		
Traded goods	0.63	1.55
(Increase)/Decrease	0.21	0.92

Note 21 : Purchase of Stock in Trade

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
Purchase of goods for merchandise	-	1.18
Total	-	1.18

Note 22 : Employee Benefit Expenses

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
(a) Salaries, wages and bonus	69.17	52.22
(b) Contract fees for labour/security/housekeeping	284.37	289.01
(c) Directors' remuneration	14.70	15.75
(d) Staff welfare and other amenities	0.86	1.61
(e) Contribution towards provident and other funds	0.10	0.02
Total	369.20	358.61

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 23 : Financial Costs

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
(a) Interest expenses		
i) Interest on secured loans	108.19	98.90
ii) Interest on unsecured loans	8.22	2.22
(b) Other borrowing costs		
i) Processing fees	0.49	1.88
ii) Bank charges	2.38	3.50
iii) Hire charges on loan taken	0.31	3.85
iv) Credit card charges	8.20	9.31
Total	127.79	119.66

Note 24 : Depreciation and Amortization Expenses

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
Depreciation and amortization	397.29	241.77
Total	397.29	241.77

Note 25 : Other Expenses

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
(a) Administrative & Other Expenses		
Statutory and Tax audit fees	2.40	2.21
Internal audit fees	3.50	3.48
Electricity and fuel expenses	85.14	96.57
Insurance charges	1.57	1.97
Printing and stationery	4.22	4.77
Professional fees	13.75	15.53
Rates and taxes	6.44	8.67
Interest on late payment of statutory dues	15.75	6.92
Rent	224.20	215.87
Repairs and maintenance		
- Building, Gym Equipment and Machinery	13.74	12.73
- Others	12.03	11.58
Telephone expenses	9.82	9.79
Travelling and conveyance expenses	4.33	5.75
Water charges	6.53	6.43
Other expenses	12.17	14.50
Lease rentals	168.64	118.34
Asset management fees	24.19	23.65

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2015

Note 25 : Other Expenses

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
Directors' sitting fees	0.49	0.26
CSR related expenses	7.55	-
Loss on foreign currency transactions and translation	0.05	0.02
Total	616.53	559.04
(b) Selling & Marketing Cost		
Advertising expenses	21.82	22.88
Business promotion expenses	3.52	2.99
Total	25.34	25.87
Total (a + b)	641.87	584.91

Note 26 : Exceptional Items

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
Profit/(Loss) on sale of assets	-	(0.28)
Total	-	(0.28)

Note 27 : Current Tax

₹ In Million

Particulars	For the year Ended March 31, 2015	For the year Ended March 31, 2014
Current tax	208.76	125.19
Total	208.76	125.19

Note 28:

A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of Accounting:

a) Basis of preparation of Consolidated Financial Statements:

- The individual Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended 31st March, 2015 of Talwalkars Better Value Fitness Limited (the "Company") and its subsidiaries, collectively referred to as the "Group", have been consolidated as per the principles of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Council of The Institute of Chartered Accountants of India. These Consolidated Financial Statements of the Company are prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- The amounts in the accompanying Consolidated Financial Statements have been stated in millions of Indian rupees and rounded off to two decimals.

b) Use of estimates:

- The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. These estimates are based upon management's best knowledge of current events and actions. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years affected.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended 31st March, 2015

c) Principles of Consolidation:

- The Consolidated Financial Statements relate to the Company, its **four** partially owned subsidiaries and **one** wholly owned subsidiary. The financial statements of the subsidiary companies used in consolidation are drawn up to the same reporting date as of the Company.
- The Consolidated Financial Statements of the Group have been prepared on the following basis:
 - i) The financial statements of the Company, its **four** partially owned subsidiaries and **one** wholly owned subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
 - ii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements.

The subsidiaries considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% ownership interest as at 31st March 2015
Denovo Enterprises Private Limited	India	50.10
Equinox Wellness Private Limited	India	33.33*
Aspire Fitness Private Limited	India	50.001
Jyotsna Fitness Private Limited	India	50.10
Talwalkars Club Private Limited	India	100.00

*effective ownership due to 66.67% holding of Denovo Enterprises Private Limited in Equinox Wellness Private Limited

2) Fixed Assets:

- Tangible fixed assets are stated at original cost, net of tax / duty credits availed if any, less accumulated depreciation / amortization. Costs include all expenses incurred to bring the assets to its present location and condition. Assets acquired by way of slump sale are recorded at book value in the books of the transferor as on the date of transfer. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial activity are treated as part of the fixed assets and capitalized.
- Intangible assets are recorded at the consideration paid for acquisition and are carried at cost less accumulated amortization.
- Capital work-in-progress comprises of outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

3) Depreciation/Amortization:

- Depreciation on all fixed assets is provided pro-rata from / up to the date of acquisition / disposal using the straight line method in line with the useful lives prescribed by Schedule II to the Companies Act, 2013, except one of our subsidiary company, Jyotsna Fitness Private Limited, who has provided depreciation as per the provisions of Companies Act, 1956.

4) Provisions, Contingent Liabilities and Contingent Assets:

- Provisions involving substantial degree of estimation in measurement are recognized if there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

5) Revenue Recognition:

- Income from fees and subscriptions, recorded net of discounts and rebates have been recognised as income for the year irrespective of the period, for which these are received. However, the fees receivable from existing members as at the end of the year has been recognised as income for the year.
- The costs relating to rendering of these services being unascertainable are charged off to revenue in the year in which they become legally payable.
- Input credit availed on service tax through revenue expenses paid are accounted for separately as income, thus accounting the expenses at their gross values inclusive of service tax. Expenses on which service tax is paid in subsequent year are booked net of the un-availed service tax at end of the year.
- Income by way of franchisee fees (including up-front fees) received pursuant to franchisee agreements entered are recognized as income of the period in accordance with terms of the agreement and as per data submitted by the franchisees.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended 31st March, 2015

- Interest income is recognized on a time-proportion basis taking into account the amount outstanding and the rate applicable.
 - Any other income i.e. from juice bar sales, consumables etc. are recognised on receipt basis since the realizations there-from are immediate and no credit is allowed to the customers / members.
- 6) **Impairment of Assets:**
- The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.
 - An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired.
 - At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.
 - The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
- 7) **Employees benefits:**
- All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, contractual labour charges, short term compensated absences, etc. are recognized in the period in which the employee/contractual labour renders the related service.
 - The gratuity liability is provided and charged off as revenue expenditure based on the actuarial valuation. The company has subscribed to the group gratuity scheme policy of LIC of India.
 - Any other payments under the relevant labour statutes, wherever applicable, are reimbursed to the outsourced agency as and when applicable.
- 8) **Borrowing Cost:**
- Borrowing cost incurred for qualifying assets is capitalized up to the date; the asset is ready for intended use, based on borrowings incurred specifically for financing the asset. In determining the amount of borrowing cost eligible for capitalization during a period, any income earned on the temporary investment on those borrowings is deducted from the borrowing cost incurred.
 - Other financing / borrowing costs are charged off as revenue expenditure in the year in which they are incurred.
- 9) **Foreign Currency Transactions:**
- Exchange differences are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
 - Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are adjusted in the cost of fixed assets specifically financed by the borrowings to which the exchange differences relate.
- 10) **Taxes on Income:**
- Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
 - Deferred Taxation is recognized for all timing differences between accounting income and taxable income and is quantified using enacted / substantial enacted tax rates as at balance sheet date. Deferred Tax asset are recognized subject to the management's judgment that the realization is virtually / reasonably certain.
- 11) **Investments:**
- Long term investments are stated at cost, less any provision for diminution (other than temporary) in value. Current investments are stated at lower of cost and fair value.
- 12) **Inventories:**
- Inventories of stock-in-trade are valued at lower of cost and net realizable value.
- 13) **Segment Reporting:**
- In the opinion of the management, there is only one reportable business segment as envisaged by Accounting Standard (AS)-17 "Segment Reporting". Accordingly, no separate disclosure for the segment reporting is required to be made in the financial statement of the Company.
 - Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended 31st March, 2015

14) Leases:

- Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant rate of interest on the outstanding liability for each year.
- Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating lease. Lease rentals under operating lease are recognized in the Statement of Profit and Loss.

15) Earnings per share:

- Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders, by weighted average number of equity shares outstanding during the year.

16) Cash Flow Statement:

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS)-3 "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Group.
- Cash and cash equivalents presented in the Cash Flow Statement consists of cash on hand, balances in Current, Fixed deposit and Cash Credit Accounts with Bank.

B) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

1. Contingent Liabilities:

Contingent liabilities not provided for in respect of:

₹ in Million

Particulars	As at March 31, 2015	As at March 31, 2014
Claim from a landlord, case pending before the Judiciary		
- Hyderabad	29.49	32.38
Claim pending before statutory authorities		
- Income Tax	-	80.63
Cases pending before consumer courts	0.20	-

- The operations of one of our Fitness Centers at Hyderabad had to be shifted due to some disputes. The Company has already filed legal cases against the same and on the basis of the advice of its legal counsel, is confident of favorable outcome and early recommencement of operations of the branches. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- The Income Tax demand was raised for A.Y. 2010-11 on account of adhoc additions. The Company had filed an appeal against the same and paid ₹ 25 million under protest. The appeal is partly allowed and the Company is eligible for a refund of ₹ 25 million paid under protest.

2. Related Party Disclosures:

Disclosure as required by the Accounting Standard (AS)-18 "Related Party Disclosures" is given below. Transactions with related parties have been disclosed in the standalone financial statements.

List of Related Parties:

Key Management Personnel:

- Talwalkars Better Value Fitness Limited (Holding Company)**
 - Mr. Anant Gawande (Whole-time Director & Chief Financial Officer)
 - Mr. Girish Talwalkar (Executive Chairman)
 - Mr. Harsha Bhatkal (Whole-time Director)
 - Mr. Madhukar Talwalkar (Whole-time Director)
 - Mr. Prashant Talwalkar (Managing Director & Chief Executive Officer)
 - Mr. Vinayak Gawande (Whole-time Director)
- Equinox Wellness Private Limited**
 - Mr. Abhishek Sharma (Director)

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended 31st March, 2015

- **Aspire Fitness Private Limited**
 - o Mr. Virendra Sherlekar (Director)
- **Jyotsna Fitness Private Limited**
 - o Mr. Vishwas Shinde (Director)
 - o Mrs. Jyotsna Shinde (Director)

Relatives of Key Management Personnel:

- Mr. Kedar Sherlekar
- Mr. Sudhakar Talwalkar
- Mrs. Yamini Anant Gawande

Enterprises over which Key Management Personnel & their relatives exercise significant influence:

- Anant Gawande (HUF)
- Anfin Investments Private Limited
- Better Value Brands Private Limited
- Better Value Leasing & Finance Ltd
- Better Value Properties Private Limited
- Better Value Restaurants Private Limited
- Empower Systech Pvt. Ltd.
- Gawande Consultants Private Limited
- G R Bhatkal Foundation
- S K Restaurants Private Limited
- Indian Cookery.com Private Limited
- Life Fitness India Private Limited
- Nitin Gawande (HUF)
- Pinnacle Fitness Private Limited
- Popular Institute of Arts Private Limited
- Popular Prakashan Private Limited
- R2 Infrastructure Private Limited
- R2 Spa Systems
- Raja Rani Travels Private Limited
- Radhika Hotels Private Limited
- Ratnakar Krishnaji Gawande (HUF)
- Talwalkars
- Talwalkars Spa System
- Talwalkars Fitness Club
- Talwalkars Health & Leisure
- Talwalkars Health Club
- Talwalkars Health Commune
- Talwalkars Health Complex
- Talwalkars Nutrition Centre
- Vrindavan
- Vinayak Gawande (HUF)
- Vrindavan Restaurant Private limited

Significant accounting policies and notes to the Consolidated Financial Statements for the year ended 31st March, 2015

3. Basic and Diluted Earnings per Share has been computed as under:

Particulars	2014-15	2013-14
Net profit after tax attributable to equity shareholders [₹ in Million]	460.75	365.89
Weighted average number of equity shares	2,61,80,888	2,61,80,888
Nominal value of shares [₹]	10.00	10.00
Earnings per share – Basic [₹]	17.60	13.98
Earnings per share – Diluted [₹]	17.60	13.98

4. Based on the intimations regarding their status under Micro, Small & Medium Enterprises Development Act, 2006, there are no amounts due and payable to suppliers covered under the above category. One of our group companies is still in process of identification of amounts owing to Small and Medium Enterprises defined in Small and Medium Enterprises Developments Act, 2006, as at the balance sheet date.

As per our report of even date attached

For M.K. Dandekar & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 7th May, 2015

For and on behalf of the Board

Girish Talwalkar
Prashant Talwalkar
Vinayak Gawande
Anant Gawande
Manohar Bhide
Avinash Phadke
Mohan Jaykar
Raman Maroo
Abhijeet Patil
Avanti Sankav

Executive Chairman
Managing Director & CEO
Whole time Director
Whole time Director & CFO
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
Company Secretary & Compliance Officer

Statement pursuant to Section 129 of the Companies Act, 2013 relating to subsidiary companies annexed to the Balance Sheet as at 31st March, 2015

₹ in Million

Name of the Subsidiary Company	The Financial Year of the Company ended on	Date from which they became the subsidiary company	Holding Company's Interest as at close of financial year of subsidiary company		Net aggregate amount of subsidiary company's profit/ (losses), dealt within the Company's account		Net Aggregate amount of subsidiary company's profit/ (losses), not dealt within the Company's account	
			Shareholding	Extent of Holding %	For the current financial year	For the previous financial year	For the current financial year	For the previous financial year
Denovo Enterprises Private Limited	31st March, 2015	28th October, 2010	50,100 equity shares of ₹ 100/- each	50.10	8.91	24.65	-	-
Equinox Wellness Private Limited	31st March, 2015	28th October, 2010	* 2,00,400 equity shares of ₹ 10/- each	33.33*	1.89	0.15	-	-
Aspire Fitness Private Limited	31st March, 2015	28th October, 2010	50,001 equity shares of ₹ 100/- each	50.001	2.86	4.71	-	-
Jyotsna Fitness Private Limited	31st March, 2015	14th November, 2011	501 equity shares of ₹ 100/- each	50.10	7.53	2.34	-	-
Talwalkars Club Private Limited	31st March, 2015	8th May, 2014	10,000 equity shares of ₹ 10/- each	100.00	9.72	-	-	-

* Holding Company holds 50.10% of the paid-up capital of Denovo Enterprises Private Limited which, in turn, holds 66.67% of the paid-up capital of Equinox Wellness Private Limited of 6,00,000 equity shares of ₹ 10/- each. Accordingly, Holding Company holds 33.33% of the paid-up capital of the Equinox Wellness Private Limited.

Financial information relating to subsidiary companies for the year ended 31st March, 2015

₹ in Million

Name of the Subsidiary	Capital	Reserve	Total Assets	Total Liabilities	Investment			Turnover	Profit before Tax	Provision for tax	Profit after tax	Proposed dividend
					Long Term	Short term	Total					
Denovo Enterprises Private Limited	10.00	174.88	315.59	130.71	4.00	-	4.00	75.39	22.49	4.70	17.79	-
Equinox Wellness Private Limited	6.00	6.22	21.84	9.61	-	-	-	20.25	8.26	2.59	5.68	-
Aspire Fitness Private Limited	10.00	32.51	109.51	67.00	-	-	-	108.68	5.83	0.10	5.73	-
Jyotsna Fitness Private Limited	0.20	22.51	133.82	111.11	0.50	-	0.50	42.47	18.27	3.23	15.04	-
Talwalkars Club Private Limited	0.10	9.72	395.56	385.74	-	-	-	15.00	14.92	5.20	9.72	-

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of Talwalkars Better Value Fitness Limited will be held on Thursday, the 10th September, 2015 at 11.30 a.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended 31st March, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended 31st March, 2015, together with the Report of the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2015;
3. To appoint a Director in place of Mr. Madhukar Talwalkar (DIN: 00341613), who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Vinayak Gawande (DIN: 00324591), who retires by rotation and being eligible, offers himself for re-appointment;
5. To ratify the appointment of M/s. M. K. Dandekar & Co., Chartered Accountants, Mumbai (Firm Registration No. 0006795) and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there-under, as amended from time to time, the Company hereby ratifies the appointment of M/s. M. K. Dandekar & Co., Chartered Accountants (Firm Registration No. 0006795), as the Statutory Auditors of the Company as approved by members at the Eleventh Annual General Meeting, to hold office until the conclusion of Thirteenth Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

6. Confirmation of appointment of Mrs. Mrunalini Deshmukh as Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and relevant rules made there-under, Mrs. Mrunalini Deshmukh, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 24th March, 2015 and who holds office

upto the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mrs. Mrunalini Deshmukh, for the office of the Director of the Company, be and is hereby appointed as the Director of the Company, whose period of office shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution.”

7. Approval for the offer or invitation to subscribe to Non-Convertible Debentures on private placement basis and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to Sections 42, 71 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the provisions of the Articles of Association of the Company, approval of members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for non-convertible debentures, in one or more series or tranches, aggregating up to ₹ 50 Crores, on private placement basis for the period from 1st October, 2015 to 30th September, 2016 within the overall borrowing limits of the Company, as approved by the members, from time to time and on such terms and conditions as the Board of Directors of the Company may, from time to time determine and consider proper and most beneficial to the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution.”

By order of the Board of Directors
For Talwalkars Better Value Fitness Limited

Avanti Sankav
Company Secretary & Compliance Officer

Date: 7th May, 2015
Place: Mumbai

Registered Office:
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai - 400026, India.

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Items No. 3, 4 and 6 of the Notice, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE TWELFTH ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxy form(s) duly completed and stamped should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
6. Members are requested to note that entry to the Meeting Hall/ Premises is strictly restricted to the Members/Beneficial owners holding duly filled in attendance slips and proxies holding valid proxy forms.
7. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 5th September, 2015 to 10th September, 2015 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
10. The Dividend for the year ended 31st March, 2015 as recommended by the Board, if approved at the Meeting will be paid within the prescribed time limit to those members whose names appear in the Company's Register of Members on 4th September, 2015. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
11. Members are requested to notify changes, if any in their addresses immediately to the Company/Registrar (for shares held in physical form) and to Depository Participants (for Shares held in dematerialised form).
12. As per the SEBI notification dated 16th February, 2000, the Equity Shares of the Company have been compulsorily dematerialised and sale/ purchase of the same is required to take place in dematerialised form only.
13. Pursuant to SEBI Notification No.MED/DOP/Circular/05/2009 dated 20th May, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN card to the Company/ RTA to enable/effect transfer of shares in physical forms.
14. Members desiring any information as regards the accounts are requested to write to the Company at least five days before the date of the meeting to enable the management to keep the information ready.
15. **E-Voting:**
 - (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - (ii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again. Members who have not cast their vote by remote e-voting shall be able to exercise their voting right at the Meeting. The Notice of Annual General Meeting is displayed on the Company's website- www.talwalkars.net.
 - (iii) The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities.
 - (iv) The Board of Directors of the Company has appointed Ms. Prabha Sharma, Practicing Company Secretary, as Scrutinizer to scrutinize remote e-voting process in a fair and transparent manner.
 - (v) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 4th September, 2015. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 4th September, 2015 only shall be entitled to avail the facility of remote e-voting.
 - (vi) The remote e-voting period begins on 6th September, 2015 at 9.00 a.m. and ends on 9th September, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The remote e-voting shall be disabled by CDSL for voting there-after.
 - (vii) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - (viii) The Scrutinizer, after scrutinizing the votes cast through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or Authorised person in this behalf. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.talwalkars.net and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

(ix) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. 10th September, 2015.

The instructions for shareholders voting electronically are as under:

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" tab.
3. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
4. Select "Talwalkars Better Value Fitness Limited" from the drop down menu and click on "submit".
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

	For Members holding shares in Demat / Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip.
DOB #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If both these details are not recorded with the Depository or Company, please enter the User ID/ folio number in the Dividend Bank details field as mentioned in instruction (3).

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on the resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN of Talwalkars Better Value Fitness Limited.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Non – Individual Shareholders and Custodians:
 - Non – Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 6

The Board of Directors co-opted Mrs. Mrunalini Deshmukh as an Additional Director w.e.f. 24th March, 2015 pursuant to Section 161 of the Companies Act, 2013. She holds office till conclusion of this Annual General Meeting. Her term of office shall be liable to retire by rotation. Mrs. Mrunalini Deshmukh is a renowned lawyer practicing over a decade and a half with special expertise in Family Law. Mrs. Deshmukh has completed her LL.B. from Government Law College – Mumbai and LL.M. from the University of Mumbai.

Your Board recommends the acceptance of the resolution as set out in Item No. 6 of the Notice of the Meeting.

None of the Directors, Key Managerial Personnel or Relatives of the Directors/ Key Managerial Personnel of the Company, other than Mrs. Mrunalini Deshmukh, being an appointee, is concerned or interested or otherwise in the above resolution.

Item No. 7

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, deals with private placement of securities by a Company. It states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the Company shall

obtain previous approval of its members by the way of special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to enhance long-term resources for financing interalia the ongoing capital expenditure and for general corporate purpose, the Company may offer or invite subscription for non-convertible debentures upto ₹ 50 Cores, in one or more series/ tranches on private placement basis to be made during the period from 1st October, 2015 to 30th September, 2016.

Your Board recommends the acceptance of the Resolution as set out in Item No. 7 of the Notice of the Meeting.

None of the Directors, Key Managerial Personnel or Relatives of the Directors/Key Managerial Personnel of the Company is concerned or interested or otherwise in the above resolution.

By order of the Board of Directors
For Talwalkars Better Value Fitness Limited

Avanti Sankav
Company Secretary & Compliance Officer

Date: 7th May, 2015
Place: Mumbai

Information pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting:

Name of the Director	Mr. Madhukar Talwalkar	Mr. Vinayak Gawande	Mrs. Mrunalini Deshmukh
Date of Birth	28.11.1933	24.08.1958	10.10.1957
Date of Appointment	24.04.2003	24.04.2003	24.03.2015
Qualification	Bachelors degree in Textile Engineering	Bachelors degree in Commerce	LL.M. from the University of Mumbai
Expertise in specific functional area	Health and Fitness Industry	Taxation, Law, Finance and Hospitality Industry	Law
Directorships held in other Companies.	Aspire Fitness Pvt. Ltd. Denovo Enterprises Pvt. Ltd. Jyotsna Fitness Pvt. Ltd. Life Fitness India Pvt. Ltd. Pinnacle Fitness Pvt. Ltd. Talwalkars Omni Fitness Pvt. Ltd. United Health and Fitness Forum	Better Value Leasing & Finance Ltd. Gawande Consultants Pvt. Ltd. SK Restaurants Pvt. Ltd. Talwalkars Club Pvt. Ltd.	Aquamall Water Solutions Ltd.
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.	Nil	Nil	Nil
Nos. of Shares held in the Company	140,134	1,920,200	Nil



TALWALKARS BETTER VALUE FITNESS LIMITED

Regd: Off.: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai - 400 026.
Tel. No.: 6612 6300 Fax No.: 6612 6363. Website: www.talwalkars.net CIN: L92411MH2003PLC140134



ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 12th Annual General Meeting of the Company on Thursday, the 10th September, 2015 at 11.30 a.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001

Full Name(s) of the Member(s)	Number of Shares :
	Registered Folio No. :
	DP-ID No. :
	Client ID No. :

Name of the Proxy (in block letters)

(To be filled in if the proxy attends instead of the Member)

Member's / Proxy's Signature

Note:

1. Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip, No additional/duplicate attendance slip will be issued at the meeting hall.
2. The copy of the Annual Report may please be brought to the Meeting hall.





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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)			
Registered Address			
E-mail id			
Registered Folio No.			
DP-ID		Client ID	

I/We, being the member(s) of _____ shares of Talwalkars Better Value Fitness Limited, hereby appoint:

- _____ residing at _____
having email id _____ or failing him/ her
- _____ residing at _____
having email id _____ or failing him/ her
- _____ residing at _____
having email id _____

as my/our proxy to vote for me/us on my/our behalf at the 12th Annual General Meeting of the Company to be held on Thursday, the 10th September, 2015 at 11.30 a.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001 and any adjournment thereof, in respect of such resolutions as are indicated below:

Item No.	Resolution
1	Adoption of the audited financial statement of the Company for the financial year ended 31 st March, 2015, the reports of the Board of Directors and Auditors thereon.
2	Declaration of dividend on Equity Shares for the year ended 31 st March, 2015.
3	Re-appointment of Mr. Madhukar Talwalkar, who retires by rotation and being eligible offers himself for re-appointment.
4	Re-appointment of Mr. Vinayak Gawande, who retires by rotation and being eligible offers himself for re-appointment.
5	Ratification of Appointment of M/s. M. K. Dandekar & Company, Chartered Accountants, Mumbai.
6	Confirmation of appointment of Mrs. Mrunalini Deshmukh as Director of the Company.
7	Approval for the offer or invitation to subscribe to Non-Convertible Debentures on private placement basis.



Signature of Shareholder



Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Date: _____

Note:

The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



Registered office
801 - 813, Mahalaxmi Chambers
22, Bhulabhai Desai Road
Mumbai 400026
Tel: +91 22 6612 6300
Fax: +91 22 6612 6363

www.talwalkars.net



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