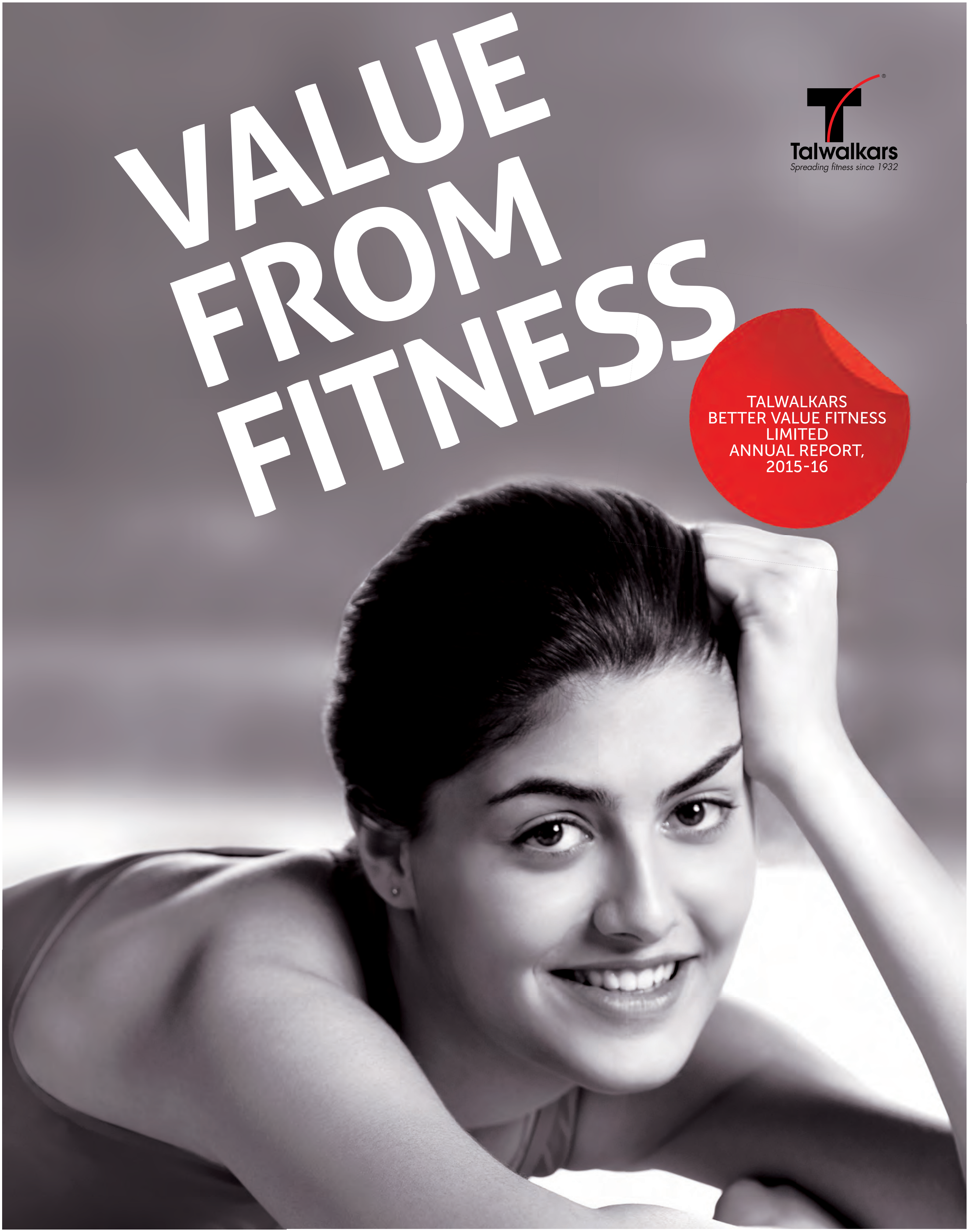

VALUE FROM FITNESS
Talwalkars
Spreading fitness since 1932
TALWALKARS BETTER VALUE FITNESS LIMITED
ANNUAL REPORT, 2015-16

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	-	Independent Director

COMPANY SECRETARY

Avanti Sankav

BANKERS

State Bank of India

STATUTORY AUDITORS

M.K. Dandeker & Co.
Chartered Accountants,
No.7/7A, 3rd Floor, Wellingdon Estate
No. 53, Ethiraj Salai, Egmore,
Chennai – 600 008

REGISTERED OFFICE

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

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 TRUSTEES

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

13TH ANNUAL GENERAL MEETING

Thursday, 8th September, 2016 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.

Contents

OPPOR

IT IS AN INTERESTINGLY IRONIC WORLD THAT WE LIVE IN.

WE POSSESS THE RESOURCES TO BUY VIRTUALLY EVERYTHING OFF THE SHELF; **BUT NOT WHEN IT COMES TO FITNESS.**

WE HAVE ALL THE TIME IN THE WORLD TO ANALYSE COMPLEX TECHNOLOGIES; **WE DO NOT HAVE THE TIME TO DECODE THE TECHNOLOGY BEHIND OUR OWN BODY.**

WE ARE MAKING PROBABLY MORE IN A YEAR THAN OUR PREVIOUS GENERATIONS DID IN A LIFETIME; **IRONICALLY, MOST CAN'T DO SOMETHING AS SIMPLE AS SQUAT FOR A COUPLE OF MINUTES.**

WE TRAVEL THE WORLD OVER IN JETS; **WE DO NOT POSSESS THE STAMINA TO WALK ROUND THE NEIGHBOURHOOD.**

WE AIM TO MOVE HIGH IN LIFE; THE MOMENT **WE NEED TO CLIMB A FLIGHT OF STAIRS, WE NEED SUPPORT.**

TALWALKARS BETTER VALUE FITNESS WAS CREATED TO REDRESS THIS INEQUITY. WE ARE PLEASED TO STATE THAT WE ARE ENRICHING OUR CUSTOMERS AND IN DOING SO, ENHANCE VALUE FOR OUR COMPANY.

THE EVIDENCE: WE REPORTED PROFITABLE GROWTH IN 2015-16: 13% INCREASE IN REVENUES CORRESPONDED BY A 19% GROWTH IN PROFIT AFTER TAX.

VALUE FOR THE CUSTOMER IS VALUE FOR THE COMPANY.

TUNITY

INDIA. THE SECOND LARGEST POPULATION CLUSTER IN THE WORLD

NEARLY **20%** OF THE COUNTRY CLASSIFIED **'OBESE'**

THE FASTEST GROWING GLOBAL ECONOMY

A MINDSET WHERE **'AARAM KI ZINDAGI'** IS SEEN AS A STEP-UP IN LIFE

A CULTURE THAT CONSPIRES TO **ENHANCE SUGAR INTAKE EVERY HOUR**

INCREASED **INVESTMENT IN MOBILITY AUTOMATION (CARS, ELEVATORS ETC.)**

Longer urban commutes

A country where 'mehnat' means a 70-hour week in one office chair

Just the kind of reality that would make everyone say, **‘Anyone who gets into the fitness business in India will laugh all the way to gym...’**

TALWALKARS BETTER VALUE FITNESS LIMITED WENT INTO BUSINESS WITH A SINGULAR OBJECTIVE.

PROVIDE WORLD-CLASS FITNESS FOR MILLIONS.

Fitness services had been packaged for decades in India as an unorganised offering; *Talwalkars ventured to organise it.*

Fitness services in India had been largely small and anonymous; *Talwalkars enhanced branded visibility.*

Fitness services in India had been localised and standalone in format; *Talwalkars created a pan-India chain of fitness centres.*

Fitness services in India were generally of one predictable standard – the mid-end variety; *Talwalkars created diverse options for different pockets.*

Fitness services in India were largely about building stronger abs and tougher muscles; *Talwalkars extended fitness to wellness.*

Fitness services in India were only about working out and sweating out; *Talwalkars combined gym with leisure options.*

TALWALKARS IS **MORE THAN JUST ANOTHER ORGANISED FITNESS SECTOR PROXY.**

The company is one of the largest organised fitness companies in South Asia.

The company is the only listed proxy of India's fitness sector.

The company democratised the organised gym sector across 72 non-metro and non-Tier 1 cities.

THESE ARE THE RESULTS OF THE COMPANY'S FIRST-MOVER ADVANTAGE AND UNIQUE POSITIONING

46

The minimum EBITDA margin in percentage that the company reported in the five years ending 2015-16.

13

Number of successive years the company reported profitable growth.

5632

The market capitalisation (₹ mn) that the company enjoyed as on 31 March 2016, making it India's most valuable fitness brand by far.

15

The ROCE in percentage terms that the company reported in 2015-16 even as consumer sentiment was sluggish.

1 Localised presence

2 Product superiority

3 Enhanced customer value

4 Lifestyle services

5 Customised approach

5 pillars responsible for Talwalkars' sustained growth over the last number of years

Services

Talwalkars is a leader in the Indian fitness industry with centres across India offering gymming and fitness, Zumba ® programme, Zorba – the yoga, Nuform and Reduce, among others. The Company also has a presence in Sri Lanka. The company's fitness centres operate under four major formats – Talwalkars, PWG, HiFi (budget format located in non-metros) and Zorba – the yoga studios.

Asset base

Talwalkars fitness centres are available at 176 locations across India and Sri Lanka, as on the 31st March, 2016. The company operated 130 centres under the Talwalkars brand, 23 under HiFi, 20 under PWG and 3 under Zorba – the yoga studios. Nearly 28% of the centres were in metro locations, 12% in Tier 1 locations and the rest across pan-India.

Promoters

The promoters of the Company possess an experience of over five decades in the Indian fitness industry. The promoters' shareholding as on 31st March 2016 was 38%.

Talwalkars. One-stop fitness and wellness

Talwalkars Gym

- Basic membership
- Personal training
- Steam and massage
- Value added services

Premium format gyms

- Large format gyms
- Highly personalised value added service
- Nuform } Transform
- Reduce } Transform
- Zumba® programme
- Zorba – the yoga
- Aerobics, spa and massage

HiFi

- Functional format gyms
- No frills gym

PWG Gyms

- Fitness centres in Sri Lanka
- Low capex
- Strategic Locations
- This model is ideal for significant expansion in India

Various offerings

Nuform

- Electrical Muscle Stimulation (EMS) based workout
- Once a week for 20 minutes
- Offered within fitness centres
- Convenience of doorstep services

Reduce

- Diet-based weight reduction programme
- Offered within fitness centres
- Provision of ready-to-eat-and-cook food products
- Convenience of doorstep services and online access option
- Tied up with online portals Nykaa and Snap Deal

Transform

- Combination of Reduce and Nuform programme.
- Offered within fitness centres

■ Convenience of doorstep services

Zorba - the yoga

■ Provides exclusive and holistic approach towards better living

■ Customised courses and therapies

■ Offered within fitness centres and studios

■ Recommended for one hour, thrice-a-week

Zumba® programme

■ Offered within the fitness centres premises and studios

■ Dance-based fitness programme

■ Recommended for one hour, thrice-a-week

Sports club

■ Integrated fitness, sports and recreation clubs

■ Consultancy services for setting up clubs in townships and gated communities

International alliances

• Alliance with Zumba Fitness, LLC to run the Zumba® dance-inspired fitness plan in India. Zumba fuses varied rhythms and dance moves resulting in a complete body workout in a single session. Zumba has gained acceptance worldwide with close to 14 mn people taking weekly Zumba classes in over 140,000 locations across 185 countries.

• A 50:50 joint venture with 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. The joint venture is in the process of setting up a club in Pune and developing around 10 clubs across cities over the next few years.

• Acquired Power World Gyms (PWG) which marked the company's growth as an international player.

Listing

• The Company's equity shares are listed on the Bombay and National Stock Exchanges.

• The Company enjoyed a market capitalisation of ₹5632 mn as on 31st March, 2016.

Performance highlights, 2015-16

• Revenues grew 13% from ₹2526 mn in 2014-15 to ₹2862 mn in 2015-16

• EBITDA rose by 20% to ₹1503 mn in 2015-16 from ₹1254 mn in the previous year

• Net profit rose by 19% from ₹461 mn in 2014-15 to ₹550 mn in 2015-16

• EPS (basic) rose by 8% from ₹17.6 in 2014-15 to ₹19.03 in 2015-16.

• Declared a dividend of 15% in 2015-16 resulting in a payout of ₹44.56 mn

• Added 26 fitness centres in

2015-16; widened reach by 6 cities and towns

Operating highlights, 2015-16

Strategic

• Announced the intention to create a JV with DLL (David Lloyd Leisure) towards establishing and managing 7-10 leisure clubs across India over the next 5-7 years to tap into the country's growing demand for sports and leisure facilities

• Acquired Inshape Health & Fitnez, a fitness centre service provider and Zorba, a yoga studio chain, both of which are based in Chennai. This has strengthened the company's fitness and wellness offerings, emerging as one of the biggest gym chain in Chennai with a total of 12 fitness centres.

• Established an overseas presence for the first time by the acquisition of Power World Gyms (PWG); PWG is the biggest health and fitness player in Sri Lanka, providing fitness centre facilities to its members with a deep knowledge of the local market conditions.

• Acquired a 19% stake in online fitness and health discovery platform Gymtrekker to tap into the fast-growing online sales channel and strengthen the existing online presence; Gymtrekker is an online platform that connects gym and fitness service providers with potential fitness enthusiasts.

Financial

• Conscious efforts were invested in driving profitability through active marketing of value-added programs across the system to increase the return ratios.

• Raised ₹1075 mn through a QIP, the issue receiving bids from prominent investors like Capital International and Ascent Capital, among others. The funds would be deployed in setting up new fitness centres, acquire existing gymnasia, gym chains and leisure clubs, besides advertising and promotion.

• Received AA rating from ICRA and CARE

Operational

• Seven fitness centres, based on the franchise model were established during the year under review

• Established a premium fitness centre in Churchgate, Mumbai, incorporated with all value-added services including Transform, Reduce and TRX coupled with large free floor activity space

• Eight standalone Transform studios were integrated; Transform was made available in 43 centers

• Tied up with online portals Nykaa and Snapdeal for Reduce

• The JV with DLL led to the appointment of an international CEO to oversee business growth.

How we generated multi-year sustainable growth

Higher revenues
Revenues (₹/ mn)

DEFINITION
Revenue growth including service tax.

WHY WE MEASURE
This measure reflects the result of our capacity to understand market needs and service them with corresponding research fitness centre launches, product launches and funds management – the entire eco-system.

PERFORMANCE
Our aggregate revenues increased 13% to ₹2862 mn in FY 16 following a larger rollout of centres and increase in membership fees – volume plus value.

Operating profit growth
Operating profit (₹ / mn)

DEFINITION
What the company earned before the deduction of interest, depreciation, extraordinary items and tax.

WHY WE MEASURE
This measure is an index of the company's operating profitability, which serves as a comparison with sectoral peers.

PERFORMANCE
The company's operating profit has grown every single year. The company reported a 20% increase in operating profit in FY 16. This was the result of increased centre rollout, higher membership fees, introduction of value-added services across a larger number of centres and cost management.

Operating margin movement
Operating margin (%)

DEFINITION
The movement in percentage points in operating profit before interest, depreciation, exceptional items and tax when divided by the company's revenues, expressed as a percentage.

WHY WE MEASURE
This movement essentially indicates whether the business is becoming more efficient or not. Talwalkars is focused on a consistent increase in operating margins, higher than the sectoral average.

PERFORMANCE
The company reported a 300 bps increase in operating profit in FY 16. This was the result of higher revenues, larger proportion of revenues from value-added services and stronger capacity to cover fixed costs.

Profit after tax
PAT (₹ / mn)

DEFINITION
This is the surplus derived after all the expenses have been paid at the end of the financial year.

WHY WE MEASURE
This indicates the capacity of the company to reward shareholders and enhance business value.

PERFORMANCE
The company increased its profit after tax each year since inception. The increase in PAT was ₹89 mn, a 19% growth over the previous year.

Robust profit accretion

Cash profit (₹ / mn)

DEFINITION

The cash that the company generated (depreciation plus PAT).

WHY WE MEASURE

This measure is an index of the resources available with the company available for reinvestment.

PERFORMANCE

The company's cash profit grew attractively in every single year through the last few years, improving significantly during the year under review.

Net gearing

Net debt-equity ratio

DEFINITION

This is derived through the ratio of net debt to equity.

WHY WE MEASURE

This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

PERFORMANCE

The company's net gearing moderated to 0.52 in FY16. We recommend that this ratio be read in conjunction with net debt: operating profit (declining, indicating a growing ability to service debt).

People intensity

People cost as % of total revenues (%)

DEFINITION

This is derived through the computation of people cost as a percentage of revenues.

WHY WE MEASURE

People costs represent the highest cost component in the fitness services industry. Any moderation in people costs or superior coverage by revenues can enhance profitability and competitiveness.

PERFORMANCE

The company's people intensity has consistently declined - from 20.67% in 2012-13 to 15.66% in FY16 through superior productivity.

Receivables management

Receivables (in terms of days of turnover equivalent)

DEFINITION

This is derived through the division of the total receivables by turnover at the end of the financial year multiplied by 365.

WHY WE MEASURE

This indicates the number of days of receivables outstanding, the lower the better.

PERFORMANCE

The company succeeded in moderating receivables from 56 days of turnover equivalent in 2013-14 to around 40 days of turnover equivalent in 2015-16, creditable at a time of economic weakness.

“This was the first year when the company generated larger accruals than the capital expenditure incurred”

Prashant Talwalkar, MD & CEO, reviews the company’s working in 2015-16

Q Were you pleased with the performance of the Company in 2015-16?

A We were absolutely pleased with the working of the company during the year under review – for a number of reasons. The Company has been reporting profitable growth since inception. This phenomenon is usually marked by a percentage increase in profits that is higher than the percentage increase in revenues. When we entered this business and reported our first year of success, there was a big question whether we would be able to repeat this. I am proud to state that since inception, Talwalkars has been able to report profitable growth, sending out an unmistakable message that the company’s business model continues to remain liquid, viable and profitable.

While on this subject, I must draw the attention of readers to the way the numbers moved: we added ₹316mn in total revenues and we added ₹249 mn in EBITDA, which works out to an incremental EBITDA margin of 79% on the company’s incremental revenues, compared with 58% EBITDA across its topline for the year under review.

Further, it would be relevant to indicate that when one analyses the numbers reported by the company over the last four years, our EBITDA more than doubled from ₹739 mn in 2012-13 to ₹1503 mn in 2015-16 even as total revenues strengthened from ₹1522 mn to ₹2581 mn.

These numbers indicate that the company is competently addressing the deep potential in its business without compromising its fundamentals.

Q What other numbers indicate the strengthening health of the company’s business?

A Over the last few years, the company ventured to take selective debt to grow the business, convinced that the ability of the company to repay debt and enhance shareholder value would be a far prudent strategy.

In this regard, I would advise shareholders to read our net interest outflow for the last three years and examine the number of times this outflow was covered by EBITDA. For instance, interest cover strengthened from around 3.7x in 2012-13 to nearly 5.3x in 2015-16, indicating that the company is generating far more cash than it is able to productively consume.

As an extension of this reality, the year under review was the very first in which the company generated larger accruals than the capital expenditure incurred by the company – ₹1020 mn in cash profit exceeded ₹891 mn in capex incurred leaving the company with a cash flow surplus of ₹129 mn.

I am pleased that this improvement has transpired at a time when the country's economy was largely sluggish, marked by tentative consumer sentiment. This conclusively indicates that the organised fitness sector in India is experiencing a robust positive undercurrent and the company's business model is profitably structured to capitalise.

Q What were some of the realities that contributed to this attractive improvement?

A During the last financial year, the company selected to expand. At the close of 2013-14, the company had a total of 149 centres, which increased to 150 at the close of 2014-15 and 176 at the close of 2015-16. This attractive increase after two consolidation years has another interesting sub-story: at Talwalkars, our focus has been to increase fitness centres in selective locations on the one hand and strengthen our average member realisation on the other. This focus translated into interesting numbers: even as membership volumes increased at a CAGR of 4.5% between FY13 and FY16, our average member realisation increased at a CAGR of 9% over FY13 to FY16. The combination of the two translated into an increase our operating margins from 46% in FY12 to 58% in FY16. This improvement was derived through an extended five-year ₹801 mn fitness centre renovation programme including some fitness centres that were relocated. I must assure that company's capex cycle is largely over and that any incremental fitness centre renovation will be in the range of ₹140 mn and ₹180 mn. This perspective provides the basis of optimism that going ahead, whatever surpluses that are generated from the fitness centres business will be far more than the capacity of the business to immediately consume.

Q What are the various initiatives that the company has taken to strengthen its business?

A Much of our growth in the last financial year was derived from the complement of owned, franchised, subsidiary and associate infrastructure – the company's decision to cap the number of basic owned assets and explore a complement of value-added and asset-light fitness centres. Today a significant portion of our fitness centres are through franchise and JV, making it possible for us to liberate precious cash and invest in fitness centre upgradation and value-added offerings. By graduating our investments from the basic to the premium, we have been able to generate a profitability kicker that has set in motion a virtuous cycle of incremental margins and profitability.

The company introduced premium and large formal fitness centres in prominent urban locations. This service offering was the result of a growing recognition that a new consumer class is demanding, upmarket, well-travelled and willing to pay more for exclusive offerings. The company introduced this format across a larger

3
India's rank as the most obese country

11
Percentage of Indian adolescents who are obese

20
Percentage of Indian adults who are obese

3-4
Millions deaths caused due to obesity in India

46
Percentage of age-standardised prevalence of generalised obesity in South India

47–51
Percentage of abdominal obesity in India

80
Percentage of Indian men and women with BMI >25 (considered overweight)

18,000
Weight-loss surgeries conducted in India, FY14-15

800
Weight-loss surgeries conducted in India, FY10-11

65
(mn) diabetes patients in India

80
Percentage of Indian diabetes cases caused due to obesity

40-60
Percentage of India's urban population that is obese

15
Percentage of the global obese population coming out of China and India combined

0.23
(mn) of Indians who use health clubs

size comprising a wider mix of value-added offerings (Transform, Reduce, Nuform, Group X activities and TRX etc.). This offering comes with internationally qualified fitness trainers and dedicated nutrition experts who customise training programmes around the specific needs of their discerning clients. Memberships at these premium centres are priced 30% to 40% higher than our usual fitness centre memberships. In the last four years, the company launched eight premium centres and has reported its best ever revenue and profits.

Q What are the relevant talking points behind the company's improved profitability?

A One of the biggest learnings at the company was that individual needs had extended far beyond plain gymming to wider fitness engagements. A number of our members came back and told us of the growing importance of nutritional diets that needed to be combined with a strict training regimen that would extend into superior holistic fitness. This insight translated into the launch of Reduce, which was a programme facilitated by a trained nutritionist. When we launched this service, we were reasonably optimistic of prospects; the reality is that Reduce has attracted 70% non-gym members; the offering has helped convert a number of on-the-fence prospective clients into members; the product accounts for 7% to 10% of fitness centre revenues today.

We have had a similar experience with Nuform. This service has been aligned with research-based developments transpiring the world over in the space of fitness. It is an electrical muscle simulation training exercise. When we launched this service, we did so in standalone centres; they were subsequently integrated, which helped enhance member crossover and reduce operating costs. And here too, 45% of Nuform members are non-gym members and we feel that the integration will catalyse the switchover. The success of this approach is evident in the numbers: we increased the Nuform offering from a mere six centres in 2013 to 10 in 2015 and 43 during the year under review.

Q So what should be the take-home of the shareholder from the company's performance?

A Just one take-home: that we utilised the economic slowdown of the last few years to invest in the business; this investment was marked by value-added service offerings; the company focused increasingly on acquisition-led growth and these strategies was validated by improved margins, decline in the receivables cycle and increased profits. What we have today is a far stronger company even though the country is not yet completely out of the shadow of a slowdown, auguring improved prospects for when the economy revives.

Q Has the company been able to unlock business value leading to an enhanced corporate valuation?

A Over the last few years, the management has consistently pushed the envelope with the conviction that a combination of asset-light fitness centres, value-added offerings and value-added infrastructure would translate to enhanced value in the hands of our shareholders. While the improvement has been reasonable, we believe that there exists attractive headroom for the company's valuation to trend in line with some of the prevailing global standards related to the company's sector. As a company whose objective is to maximise shareholder reward, it will be the endeavour of the management to continue examining its business construct and the restructuring of the respective businesses within one company; the primary objective being making decisive improvements in the overall valuation. The best is yet to be.

Q What is the outlook for the Indian fitness industry?

A The outlook for the Indian fitness industry continues to be optimistic. As per the IHRSA Report 2016, the Indian fitness industry penetration was just 0.12%; in the Asia Pacific, the comparable average was 3.8%. Even as India accounts for a sixth of humanity by population, it accounts for a mere 2% of health clubs and 0.63% of fitness-enrolled members the world over.

At Talwalkars Better Value Fitness Limited, we are at the right place at the right time with the right offerings.

Over the years, we have graduated from core gym-based fitness to a more holistic understanding of what modern-day fitness stands for: specialised nutrition, personalised attention, fitness bordering on lifestyle and technology use to capitalise on advances in science.

Q What is the basis of the company's long-term optimism?

A At Talwalkars Better Value Fitness Limited, we believe that the time is right for us to grow our business in a profitable and sustainable way across the foreseeable future.

India is passing through unprecedented prosperity reflected in a larger number of people with higher incomes and correspondingly higher non-discretionary spending. Besides, this reality has been underlined by a growth in India's youth population, urbanisation and the incidence of lifestyle diseases triggered by sedentary lives, dietary indiscipline, stress and pollution.

This brings into focus a growing need for basic fitness infrastructure on the one hand and value-fitness cum wellness services (personal training, massage and spa services, balanced diet and aerobics, among others) on the other.

The company is in a sweet spot, marked by a strong brand in a growing market, enhanced market presence, robust centre profitability, excellent project execution competence and attractive financials. We believe that this is a sustainable cycle marked by a larger reinvestment of accruals into disciplined asset building translating into yet another round of growth and profitability.

1,000-3000
Monthly spend (₹) on health clubs by Indians with a monthly income of ₹75,000-₹140,000

6
Percentage of global coronary heart diseases due to physical inactivity.

7
Percentage global Type 2 diabetes cases due to physical inactivity

10
Percentage of global breast cancer cases due to physical inactivity.

9
Percentage of premature deaths (due to any cause), due to physical inactivity.

533,000
Number of annual deaths worldwide caused by physical inactivity

0.68
Projected increase (years) in global life expectancy if physical inactivity is eliminated

Our robust business model

The fitness services business is one of the most exciting in the world over.

The variables are many and challenging.

1 Need to commission fitness centres across the country.

2 Need to manage a high operating discipline across each.

3 Need to extend practices and process a consistent operating protocol.

4 Need to personalise training around individual needs.

5 Need to be responsive enough to emerging lifestyle fitness-centric trends.

6 Need to periodically upgrade centres.

7 Need to train the trainers.

8 Need to acquire competing brands and scale the business.

At Talwalkars, we have created a recession-proof business generating steady annuity cash flows. We believe our business model is likely to generate multi-year growth across industry cycles in line with the rich sectoral potential.

Focus: Prior to 2010, the company was a focused fitness centre company offering basic gym membership, moderate membership fee, nominal role of value-added services and a limited pan-India footprint. In the second phase of the company's existence (2010-15), the company integrated to a broader fitness orientation, marked by a pan-India footprint, the offering of gym membership in addition to weight loss, aerobics, Nuform and massage accompanied by a 50% increase in average membership fees and increase in value-added services to around 12-18% of overall revenues. In the third wellness phase of the company's existence (2016 onwards), the company extended its presence to Sri Lanka, introduced an even wider range of lifestyle-based wellness offerings, strengthened average revenue per member to ₹22000-30000 and increased the proportion of value-added services to in excess of 25% of overall revenues.

Vision: In a sector marked by the need for scale, the company resolved to create the 'smallest' Balance Sheet despite the company's growing scale. This focus influenced capital allocation, services mix and pricing. The result is that the company has enhanced profits and margins, the weakness in the economy notwithstanding during the last few years.

Commitment: Notwithstanding the weakness of the economy , the company resumed investment in its business – ₹801 mn in the five years ending 2015-16 in new centres, infrastructure upgradation and equipment rejuvenation. Until 2015-16, business investments exceeded cash profits, indicating the commitment of the company to scale the business. The result is that average membership realisations increased 9% CAGR based on a volume growth of 4.5%, strengthening EBITDA margins from 49% in FY13 to 58% in FY16.

Business mix: The company comprises two core offerings – basic fitness centre and lifestyle. While the former represents the mainstay of the business marked by a combination owned and asset-light properties, the latter represents a combination of asset-heavy offerings (club chain with David Lloyd Leisure Limited) and lifestyle services (Zumba, TRX, Transform, Nuform, Yoga and Aerobics).

Ownership cum leased: The company has followed a flexible approach to asset ownership cum lease. The company invested directly in the ownership of eight properties for fitness centres across India (market value ₹1200 mn). On the other hand, the company's asset-light orientation translated into franchised arrangements and strategic associations, making it possible to plug into business profitability without making corresponding infrastructure investments. At the close of 2015-16, Talwalkars operated 176 fitness centres in a variety of formats across 85 cities and towns in South Asia.

Value-addition: Even as the company entered the business by providing basic fitness centre services to a large middle-class population, the company has evolved its approach towards value-addition. This value-addition has been marked by increased investment in centres translating into higher membership fees, introduction of lifestyle complements (Zumba, TRX, Transform, Nuform, Yoga and Aerobics) and launch of premium centres. This approach has strengthened average membership fees, strengthened the proportion of value-added services and increased operating margins.

Brand: The company has gradually evolved its personality from one providing core fitness centre infrastructure to one providing holistic fitness to one providing wellness. The result is that Talwalkars is now increasingly recognised as a wellness brand marked by cross-sell and up-sell opportunities across its diverse services.

Portfolio: The company has a range of offerings – starting with HiFi centres (2500-2800 sq. ft.) that are considered ideal for Tier 2, 3 and 4 locations. At the next level, the company offers Power World Gyms (3750 to 4000 sq. ft.), which are generally located in pockets of metros and mini-metros targeting a sporadic audience. The next tier comprises Talwalkars fitness centres (5000-6000 sq. ft.) that are either owned by the company or franchised and generally located in metros, Tier 1 and 2 locations. At the apex of the offerings pyramid are the premium fitness centres (6000 to 12,000 sq. ft.) located in the premium pockets of metros and Tier 1 cities offering dedicated cardio, strength and weight training services as well as lifestyle supports (Wi-Fi, juice, snack bar and valet services).

Geographic coverage: The company is multi-national in its geographic presence – 20 of the 176 fitness centres at the close of the year under review were based in Sri Lanka. As a conscious strategy, the company did not select to focus its presence in Tier I Indian cities, convinced that a larger under-addressed market lay beyond and where rentals would be cheaper. The result is that 60% of the company's Indian presence has been derived from Tier II and III cities. Besides, North India accounted for 24% of centres within India, West India 42% and South India 28% . In the locations of presence, the company has increasingly selected to launch multiple centres (carpet bomb), convinced that this enhances recall and generates a larger return on brand. The company is among the leading players in 8 of 10 top cities in India.

Acquisitions and associations: The company invested in inorganic growth (acquisitions) to grow faster and enter new markets. The company entered into strategic partnerships with the Power World Gyms Limited (leading Sri Lanka-based health and fitness chain), Inshape Health and Fitnez (fitness centre service provider in Chennai, making the company one of the biggest Chennai fitness centre chain), Gymtrekker (first and leading online fitness portal in India, strengthening access to the online sales channel) and Zorba (Chennai-based yoga studio chain, strengthening wellness and fitness offerings). This approach made it possible for the company to scale the number of its centres from 150 to 176 in 2015-16, the largest in any single year.

Fiscal conservatism: The company has selected to pursue an incremental model, preferring to plough accruals into asset building. The company made a private placement of equity at ₹305 per share, mobilising ₹1075 mn that increased the equity capital by ₹35.2 mn. The corpus was raised for:

- Setting up new fitness centers including inorganic way
- Setting up leisure clubs
- Upgrade existing fitness centres to integrate the value-added services like Transform program
- Market the Reduce brand through retail channels/ formats

Besides, the company mobilised ₹692mn of debt to build scale, sophistication and enhance shareholder value (the country's tax rate being significantly higher than the cost of debt). The company has not utilised this resource to its fullest extent, and a significant part of this is still available to be mobilised. Over time, the preference for accrual-based / net worth-based / part-debt driven investing has translated into a high interest cover in a traditionally capital-intensive sector. The company enjoyed a credit rating of AA during the year under review.

How our business model has translated into outperformance.

Robust topline growth x Rising EBITDA margin x Low gearing = High ROCE

Return on capital employed (-200 bps)

ROCE (%)

DEFINITION

The return percentage (EBITDA divided by total average capital employed by the company expressed as a percentage) generated from the amount deployed in the business.

WHY WE MEASURE

This measure unambiguously captures the result of all our diverse initiatives in building a stronger company, the higher the ROCE the better, making it possible to compare year-on-year competitiveness.

PERFORMANCE

Our ROCE temporarily declined from 17% in FY15 to 15% in FY16 following deployment of funds into longer gestation projects that will deliver enhanced returns across the forseeable future.

Our gym business

74-75% of revenues, 2015-16.

Overview

The gym business represents the core of the company's operations.

The business can be described as a cash cow, indicating that its capacity to generate increasing surpluses is far more than its capacity to consume investments.

The surplus generated from this business continued to fund the other businesses of the company enjoying longer gestation.

Operational review, 2015-16

During 2015-16, the company generated 74-75% of its revenues from this business segment, reinforcing its flagship status within the company.

Strengths

First-mover advantage: The business is the largest in its space across India enjoying high brand recall. Over the years, the business has generated a significant portion of its own capital investments, reinforcing sustainability.

Diverse formats: The business reconciled diverse ownership flexibility: from completely owned Talwalkars fitness centres to franchised centres and even brand associations. At the apex of the value pyramid, the company commissioned premium fitness centres marked by higher realisations. The company's commitment to Healthy India Fit India (HiFi) fitness centres resulted in a model ideal for smaller towns and pockets of big towns.

Balanced business model: The business combines volume and margins growth: the increase in margins / profits generated from this business has been disproportionate when compared with revenues. This business has therefore generated resources that have helped grow the company's diversified offerings marked by longer gestation.

Geographic diversity: The business has been marked by 176 fitness centres across prominent locations in 85 cities. An increasing presence in Tier-II and Tier-III locations has helped address the sharp demand growth for fitness from these areas.

Widespread footprint: The business is present in prime locations for fitness centers combined with attractive long-term rental agreements.

Diverse fitness solutions: The business provides a holistic fitness and wellness experience from within its premises, resulting in a stronger traction for core fitness centre offerings.

Economies-of-scale: This business (176 fitness centres) generates attractive economies of scale in the form of standardised fitness centre formats and stronger negotiation power with suppliers.

Key marketing initiatives

The business strengthened its business during the year under review through the following initiatives:

- Introduced a special annual 30% discount on membership for women on the occasion of Women's Day
- Launched the exciting Cricket League 2016 between all Ahmedabad branches
- Introduced a Facebook question-based contest where winners were given a free trial fitness centre membership
- The 'likes' on Talwalkars Facebook page increased from 35,000 to 60,000, enhancing awareness and appeal
- Launched an Instagram contest with www.prettysecrets.com where the winners received a month-long Talwalkars membership and gifts from Prettysecrets
- Launched Annual August Discount Scheme that facilitated renewals and new additions.

Our lifestyle business
25-26% of revenues, 2015-16

Overview
This lifestyle segment of the company's business comprises all the business of the company except its core fitness centre offering.

This business segment was launched in response to a growing need for unwind spaces, family relaxation zones, larger social hangout where one could just sit and relax. These requirements were encapsulated in Talwalkars embarking on the project to create a large, world-class club.

The business combines cash-light and cash-heavy businesses; the former comprises the value-added offerings in the fitness centre environment while the latter comprises the asset-intensive club chain infrastructure business.

Operational review, 2015-16
During 2015-16, the company strengthened the proportion of value-added offerings from 23-24% of revenues to 25-26%.

Strengths
Responsive: The business has been responsive to changes in consumer preferences, strengthening its brand as a relevant opportunity-driven brand.

Alliances: The business entered into diverse relationships to strengthen offerings. These alliances proved business-strengthening and improved the company's holistic fitness cum wellness offering.

Scale: The joint venture with David Lloyd Leisure intends to scale the number of clubs to around 10 clubs, pan-India, over time. The JV appointed an international CEO who relocated to Pune to oversee business growth. Memberships are expected to be launched during the current financial year.

Group X

Fun-filled, exciting and energetic fitness regimen. Free floor space exercises. Combines Zumba, Yoga, TRX and Aerobics.

Zumba

Dance-based fitness programme. Created by Colombian choreographer Alberto 'Beto' Perez. Combines dance and aerobics; choreography incorporates hip-hop, soca, samba, salsa, merengue, mambo, martial arts, Bollywood and belly dancing. Technique moderates weight, tones the body, relieves stress and helps cure knee pain.

Zorba – the Yoga

Provides a comprehensive suite of six courses and eight alternative therapies – including hot yoga, pre and post-natal yoga, aerial yoga, aqua yoga and divinatory therapies-employing holistic approach to get to the cause of ailments. Also offers specialised courses in healing ailments for certain diseases like asthma, diabetes, tantric meditation, weight loss, stress management and personality development. Available in 7 fitness centres.

TRX Suspension Training

Form of resistance training that includes bodyweight exercises in which a variety of multi-planar and compound exercise movement can be performed.

Kettle Bell

Training involves multiple muscle groups and energy systems leading to quick results. Can effectively help one to do cardio, resistance and flexibility training quickly.

Spa, massage, steam

Available in 14, 81 and 176 centres

respectively. Delivered proven health benefits, mental relaxation, lower stress and enhanced wellness.

Nuform

Innovative fitness offering. Developed by Miha Bodytec. Focus comprises weight loss, muscle development, back ache relief and improved mobility. Offering comprises electro-muscular stimulation that sends electrical impulses to targeted muscles. Sessions comprise 20 minutes a week. Available in 43 fitness centres.

Reduce

Convenient weight-loss programme. Comprises modifications in frequency, timing and quantity of meals (with no restrictions on ready-to-eat/cook food products). Compliance strengthened through trainer support. Weekly visit can be provided online or residential visits. Provided in more than 100 Talwalkars centres.

Transform

Unique combination of Nuform and Reduce. Restricts unwanted calorie intake; catalyses calorie burning. Exercise equivalent to four to five days of fitness centre workouts. Package helps members shed excess weight and tone muscles. Available in 43 fitness centres.

David Lloyd Leisure

50:50 joint venture between Talwalkars and David Lloyd Leisure Limited, globally-renowned in the club business. The latter holds a stake in the business, enhancing long-term franchise value. The company acquired a Pune land parcel for the club. Business marked by a mix of one-time and steady annuity revenues.

Management discussion and analysis

Indian economy

Amid weak global markets, most South Asian countries reported reasonable growth. India was one of the bright spots among major economies, reporting an impressive 7.6% GDP growth catalysed by the manufacturing (growing at 9.5%) and infrastructure (growing at 8.5%) sectors. While agriculture was consistently the major contributor to the economy, in 2015-16 it grew a mere 1.1%, owing to two consecutive weak monsoons. The forecast of a normal monsoon in 2016-17 is expected to revive the agricultural sector and rural consumption. The 7th Pay Commission's announcements are likely to drive urban consumption. Inflation remained at 5% – well within the Central Government's target. *(Sources: Economic Times, Financial Express, ADB)*

Industry overview

The Indian fitness industry is at the cusp of a paradigm shift. Sedentary lifestyles, rising disposable incomes and rising awareness pertaining to 'healthy' lifestyles are major factors driving the fitness industry. Analysts predict that the entire sector is set to grow by 20-30% y-o-y. Along with fitness, a new trend of holistic wellness is gaining ground within the age group of 20-44. These people are trying out various ways to stay fit such as Zumba, aerial yoga, Pilates, mixed martial arts and kickboxing, among others. All across India, various startups are trying to consolidate what is a fragmented industry to offer unique solutions to people wanting to stay fit. The Central Government has established a separate ministry called AYUSH to propagate natural healthcare and yoga among the masses. In the wake of this there has been a 30% rise in memberships across fitness centres in metro cities. Currently, there are ~3,800 fitness and health clubs in India. New fitness centre chains and fitness clubs are deepening their footprints across metros.*(Sources: Statistia, Economic Times, The Hindu Business Line, IHSRA Global Report, 2016)*

Growth drivers

Unhealthy lifestyles

India ranks third globally when it comes to obesity. Cardiovascular diseases, hypertension and stress afflict vast swathes of the population. India also has the highest number of diabetics in the world. There is an urgent need to raise awareness about the need for staying fit. A lack of awareness regarding the long-term economic benefits of joining a fitness centre and a predilection for laziness has held back most from getting into shape. However, this is likely to change.

Fitness-oriented youth

A significant chunk of the Indian population falls within the age group of 20-30. They are far more focused on staying fit than their predecessors thanks to the rising levels of disposable incomes. The long-held fad that fitness means bulging muscles and food supplements are slowly giving way as more people are turning to alternative means such as kickboxing, mixed martial arts, yoga and dance, among others, to get in shape and stay fit.

Growing awareness

The rise in the number of lifestyle diseases has reaffirmed the necessity for staying fit. The media (AV and web) have also played a major role in raising awareness. The Central Government's efforts towards promoting yoga and various celebrity endorsements have also made people aware regarding the benefits of a healthy lifestyle and a fit body. Companies have started leveraging social media

Analysts predict that the entire sector is set to grow by 20-30% y-o-y. Along with fitness, a new trend of holistic wellness is gaining ground within the age group of 20-44. These people are trying out various ways to stay fit such as Zumba, aerial yoga, Pilates, mixed martial arts and kickboxing, among others.

platforms by publishing informative and interactive pages. Some of these ways to interact include providing consumers with expert advice.

Rising urbanisation

With cities fostering the culture of 'fitness' and becoming a hotbed of state-of-the-art fitness centres, studios and fitness centres, the people migrating to cities are automatically adopting this culture. Currently, the major cities of India are home to approximately 300 mn people and the number is expected to double over the next 20 years, making urban centres a thriving market for fitness in India.

Peer influence

Fitness, as a social trend, is also gaining momentum. It is more than likely that members of a group will be influenced by the lifestyles of others. Thus, this can be seen as a reflection of individuals taking up habits in order to fit in inside a larger milieu.

Human resources

While fitness may be a lifestyle choice for many, it unfortunately isn't the career choice of most. The Company has been consistently trying to turn this trend around by providing a dynamic work environment across all its centres and rewarding teamwork and excellence. The Company's remuneration policy is at par with the industry standards and its relation with employees has remained harmonious during the year in review. As of 31st March, 2016 Talwalkars had a workforce of ~5000 people. The Company now has a dedicated team to provide periodic training to each fitness centre across its centres in South Asia via online and onsite training. Its alliance with Premier Training International has been instrumental in designing a curriculum that is in sync with the latest trends manifesting in the fitness industry.

Risks and concerns

Economic risk

An economic downturn could affect the Company's profitability and reduce spending on fitness on an individual level.

Talwalkars offers a gamut of fitness services along with various value-added offerings to its customers. This diversity in customer base should cushion the Company in case of a slowdown in the economy.

Competition risk

Competition is a part of any business, and the potential of the fitness industry has attracted many players.

However, with the market still remaining under-penetrated, the scope for growth is enormous, along with the number of people focusing on fitness and health rising steadily. The Company's Hi-fi fitness centres offer affordable fitness services while the premium fitness centres cater to the top-end of the market and the Talwalkars fitness centres address the large mid-end of the market. These initiatives adequately protect the Company from fledgling unorganised players.

Personnel risk

The lack of skilled instructors could weaken the quality of services offered at the fitness centres.

The Company has a dedicated team to provide periodic training (online and onsite) to each fitness centre across its centres in South Asia. This facility has made training an ongoing feature in a sector where organised training is virtually non-existent.

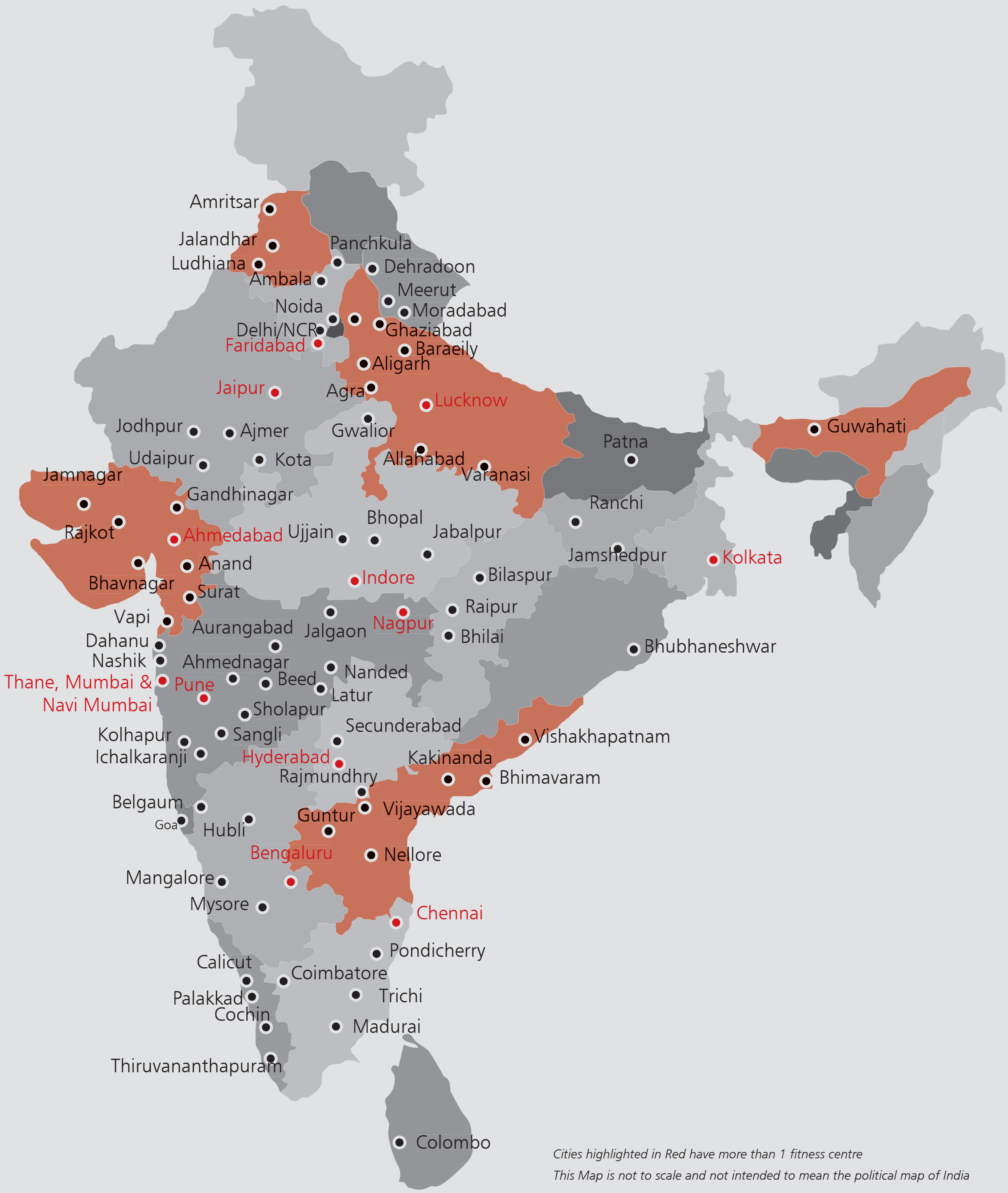
Financial risk

Non-availability of funding at competitive rates and a shortage of liquid funds may affect the Company.

In order to mitigate such risks the Company tracks funding requirements and ensures the availability of sufficient liquid funds. Further, the Company has been rated AA by ICRA and CARE – indicating its robust financial health. This allows it to avail financing from lenders at competitive rates.

Talwalkars
Spreading fitness since 1932

Our **presence**



Cities highlighted in Red have more than 1 fitness centre

This Map is not to scale and not intended to mean the political map of India

Financial analysis (consolidated)

Staying true to its core business, Talwalkars strengthened its offerings across all its centres and these are the numbers that the Company reported:

Revenues: The Company reported revenues worth ₹2862 mn in 2015-16 as compared to ₹2526 mn in the previous year. The Company also expanded its presence from 79 cities/towns in 2014-15 to 85 in 2015-16.

Operating cost: During the year under review, the Company worked on optimising its operating expenses and raising productivity across centres. Consequently, operating costs as a percentage of revenues stood at 43% in 2015-16 as against 45% in 2014-15.

EBITDA: Implementation of prudent cost control measures and increasing revenues raised the EBITDA margin from 55% in 2014-15 to 58% in 2015-16. EBITDA for 2015-16 stood at ₹1503 mn.

Finance cost: The Company held onto its designated solvency and financial ratings during the year that led to a moderation in debt costs across the last two years.
The Company received an enhanced rating, moving from AA⁻ to AA.

Depreciation: Depreciation for 2015-16 stood at ₹470 mn as against ₹397 mn in the previous year. The rise in depreciation was on account of capital expenditure incurred during the year and full year impact of last year's depreciation on additional fixed assets

Profit after tax: The net profit grew significantly during FY16 to ₹550 mn when compared to FY15 at ₹461 mn. Correspondingly, the EPS for the year was ₹19.03 per share as against ₹17.60 during the previous year.

Internal control systems and their adequacy

Talwalkars has well-defined guidelines, a robust budgetary control system and a seamless system of checks and balances to ensure that the organisation operates as desired. The Company has calibrated a state-of-the-art accounting system and software that assists and safeguards the functioning of aforementioned control systems. A web-based CRM software allows better management of operations and analytics. This also helps in the collection of data and assisting in the analysis of the data. The internal audits help record, analyse, report, and provide checks and safeguards for the assets in an independent manner, as mandated by the Audit Committee. The Internal Auditors report their findings to the Audit Committee which then reviews these findings along with the Board. Following this, necessary actions are taken to safeguard the Company's interests.

The Company invested in technology over the years strengthening its positioning as a modern organisation. These technology investments comprised Customer Relationship Management software, biometric Turnstile Machine, Palm Vein Machine software, CCTV surveillance at all fitness centers and Network upgradation to address network performance and capacity

Cautionary statement

Statements in this section that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations.
The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Readers are requested caution while placing undue reliance on these statements as many factors could cause differences in the assumptions and the actual results.

Outlook

Talwalkars expects to emerge as the number one player in 10-12 leading Indian cities while retaining its dominant presence in Sri Lanka. This aspiration growth has catalysed the demand for fitness centres and the Company believes that it is well-positioned to benefit from such trends. Remaining fit and healthy is increasingly being seen as way of life by people and this is expected to augur well for the Company. Nuform, Reduce, Zumba® and Transform gained considerable traction during the year and will be further expanded to cover the entire Talwalkars network. Similarly Zorba – the yoga will be rolled out to strategically cover a larger part of the Talwalkars network. On the financial front, the Company expects to grow its revenues and margins in 2016-17.

DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present 13th Annual Report on business and operations with the audited financial statement for the year ended 31st March, 2016:

BUSINESS AND FINANCIAL HIGHLIGHTS

Financial Highlights

The highlights of your Company's standalone financial performance for the year ended 31st March, 2016 are summarised below:

₹ in millions

Summarized Financial Results	31.03.2016	31.03.2015
Total Income	2673.11	2248.66
Profit before interest, depreciation and taxation	1417.18	1134.90
Financial Expenses	155.85	109.14
Depreciation	435.64	366.77
Exceptional Items	(0.28)	-
Profit before tax	**825.69**	**658.99**
Provision for taxation	268.35	211.68
Deferred Tax	23.42	17.47
Profit after tax but before minority interest	**533.92**	**429.84**
Share of minority interest	-	-
Profit after tax	**533.92**	**429.84**
Excess provision of Income Tax written back	-	-
Balance brought forward	1115.88	852.10
Total available for appropriation	1649.80	1281.94
Proposed Dividend	49.84	39.27
Corporate Dividend Tax	10.13	7.85
Debenture Redemption reserve	59.83	48.03
General Reserve	26.70	21.49
Depreciation adjusted	-	8.02
Arrears of depreciation	-	41.40
Balance carried forward	**1503.30**	**1115.88**

Our Business

Your Company continues its leadership position as largest Fitness Chain with 176 fitness centres across 85 cities and towns. At Talwalkars, we generate multiple fitness and wellness streams that extend beyond core gymming which comprise of value-added services like Transform, Reduce, NuForm, nutrition, spa, massage, aerobics, yoga and dietary regimes among others.

Review of Operations

Your Company is focused on its goal of raising fitness standards in the Country and spreading healthy living. The multiple health and fitness services are provided by the Company through five fitness centre formats of Talwalkars Premium/Large format Gyms, Talwalkars (formats mostly located in Metros), PWG (Power World Gyms at Colombo, Srilanka), HiFi (low cost format mostly located in non-metro locations) and Zorba Studios yoga studios chain).

The Talwalkars brand has become synonymous with the Indian fitness industry. Riding brand goodwill and management competence, our Income from Operations (Net) on a standalone basis grew at a 3 year CAGR (FY14 - FY16) of 19.32% achieving ₹2,292.24 millions during Fiscal 2016. Similarly, our EBITDA and Profits after Tax on a standalone basis for the year ended 31st March, 2016, were ₹1,350.26 millions and ₹533.92 millions respectively, growing at a 3 year CAGR (FY14 - FY16) of 29.41% and 26.43% respectively.

During the year, along with the financial performance your Company's profit before tax as well as profit after tax and minority interest recorded a healthy growth of 17.36% and 19.41% respectively. The volume of the business also displayed an increase of 13.96% over last year.

No material changes affecting the financial position of the Company have occurred between the end of the financial year 2015-16 and the date of this Report, 5th May, 2016.

Share Capital

During the year, Authorised capital of the Company increased from ₹30 crores to ₹32 crores vide postal ballot conducted in pursuance of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

Paid up capital of the Company increased from ₹261,808,880/- to ₹297,048,560/- pursuant to the placement of 3,523,968 equity shares to Qualified Institutional Buyers through Qualified Institutional Placement.

Dividend

Your Directors are pleased to recommend for the consideration of shareholders, a dividend @ 15% (₹1.50/- per equity share of ₹10/-) for the year ended on 31st March, 2016. 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 ₹26.70 millions (5% of the net profit) to the General Reserve out of the amount available for appropriations and an amount of ₹1,503.30 millions 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 and Associate Company

Your Company has continued the process of expansion including acquiring operationally-efficient local gyms/fitness centers across India and abroad.

Your Company's subsidiary model encompasses the full services fitness centers 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.

The Company has following 7 subsidiaries as on 31st March, 2016 and one associate Company within meaning Section 2(6) of the Companies Act, 2013:

(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** is a wholly-owned Subsidiary of the Company.

During the year, the Company acquired a controlling stake in the following Companies:

(6) **Talwalkars Club Systems Private Limited** is a wholly-owned Subsidiary of the Company, incorporated in March, 2016 to own, lease and manage recreational/ lifestyle clubs by providing all kinds of sports, games, recreational and hospitality facilities.

(7) **Inshape Health and Fitnez Private Limited** is a fitness centre service provider catering to the middle income and upper middle income group in Chennai.

Your Company acquired the stake of 51% of share capital in Inshape Health and Fitnez Private Limited, a health and fitness centre having operations in Chennai. This investment has enabled Talwalkars to further strengthen their presence in a fitness conscious Chennai Market.

Your Company has achieved a significant scale and size to pursue inorganic growth which gives it an access to newer markets, strengthen its presence in existing markets and help it to achieve a larger scale within a relatively shorter timeframe. In line with this thinking, a strategic partnership is entered into with Power World Gyms Limited (PWG) ('Associate Company'), a leading Colombo, Sri Lanka based health and fitness chain. We have acquired 49.50% stake in PWG.

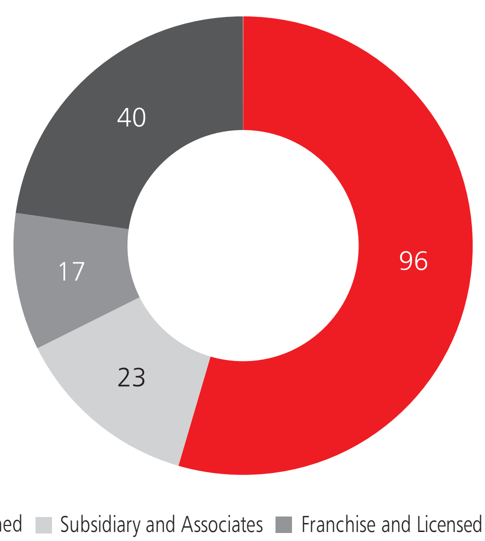
The Company has signed up to invest growth capital into Gymtrekker Fitness Private Limited, a leading online health and fitness center discovery platform.

In continuation of the Company's strategy to expand its wings within Country and across globe, it has also announced the acquisition of 50% stake in yoga studios chain, Zorba – A Renaissance Studio.

Also, during the year, Talwalkars and David Lloyd Leisure Limited announced their intention to create 50:50 joint venture to develop leisure clubs in India.

In accordance with Section 129(3) of the Companies Act, 2013 ('Act') a statement containing salient features of the Financial Statement of our Subsidiaries and Associate company in Form AOC - 1 is attached as **Annexure - I** to this Report. Further pursuant to the provisions of Section 136 of the Act, the financial statement of the Company, consolidated financial statement along with accounts in respect of subsidiaries are available on the website of the Company.

Our footprint in 176 fitness centres in 85 cities and towns across South Asia is witnessed as below:



Management Discussion and Analysis

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

Corporate Social Responsibility (CSR)

The CSR policy of your Company is aimed at exhibiting care and concern for the Society. 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.

The initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - II of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy on CSR as approved by the Board has been uploaded on the Company's website.

Weblink to Company's CSR Policy: http://www.talwalkars.net/pdf/CSRPolicy12716164414123.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

(b) 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;

(c) 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;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) 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.

(f) 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.

Based on the framework of internal financial controls and compliance systems established by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2015-16.

DIRECTORS, BOARD COMMITTEES, KMP AND REMUNERATION

Directors

Your Company has thirteen Directors including seven Independent Directors and a woman Director in accordance with Corporate Governance norms of the Listing Agreement with the Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015") 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 provided in Section 149 of the Companies Act, 2013 and the Listing Requirements of the Stock Exchanges.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Girish Talwalkar and Mr. Anant 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.

Seven Board meetings were held during the financial year 2015-16 with requisite quorum present for each of them, the details of which are given in the Corporate Governance Report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Listing Regulations, 2015. 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

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this report.

Audit Committee

The details pertaining to composition, functions performed and meetings of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

Your Directors highly value the suggestions of the Audit Committee and have never turned down any of it.

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 (web link: http://www.talwalkars.net/pdf/PolicyonRelatedPartyTransactions12716165958474.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.

Particulars of Employees

Pursuant to Section 197 of the 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 2015-16, 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 and 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 2015-16 and the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2015-16:

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	–	(100.00)
2	Madhukar Talwalkar	Whole-time Director	4.26 : 1	–
3	Vinayak Gawande	Whole-time Director	4.26 : 1	–
4	Prashant Talwalkar	Managing Director & CEO	4.26 : 1	–
5	Anant Gawande	Whole-time Director & CFO	4.26 : 1	–
6	Harsha Bhatkal	Whole-time Director	4.26 : 1	–
7	Avanti Sankav	Company Secretary	Not Applicable	22.62

(ii) The percentage increase in the median remuneration of Employees in the financial year: 9.18%.

(iii) Permanent employees on the roll as on 31st March, 2016 : 11

(iv) The explanation on the relationship between average increase in remuneration and Company performance: PAT for the year ended 31st March, 2016 increased by 24.21% and the median remuneration by 9.18%

(v) The comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: PAT for the year ended 31st March, 2016 increased by 24.21% and the remuneration of key managerial personnel increased by 22.62%

(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 31st March, 2016	As at 31st March, 2015
1.	Market Capitalisation	BSE ₹5,632.04 millions	BSE ₹9,728.82 millions
		NSE ₹5,626.10 millions	NSE ₹9,787.72 millions
2.	Price Earnings Ratio	BSE 10.27	BSE 22.63
		NSE 10.24	NSE 22.77

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, 2016, the closing price of the Company's share was ₹189.60 on BSE Limited (increase of 48% over the share price at its last public offer) and ₹189.40 on The National Stock Exchange of India Limited (increase of 48% over the share price at its last public offer).

(vii) During the financial year 2015-16, there was an average 6.04% decrease in the salaries of employees other than the managerial personnel. Remuneration of the key managerial personnel rose by 22.62% 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, 2016, 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 0.76 : 1.

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

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:

₹ in millions

Particulars	2015-16	2014-15
Total foreign exchange earnings	0.01	-
Total foreign exchange outgo	5.43	5.08

AUDITORS

Statutory Auditor

M. K. Dandeker & Co., Chartered Accountants, Mumbai (Firm Registration Number. 000679S), Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from the retiring auditor to the effect that their appointment as Statutory Auditors, if made, will be in accordance with the provision of Sections 139, 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Your Company recommends appointment of M. K. Dandeker & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting, for a term of five consecutive years until the conclusion of the 18th Annual General Meeting of the Company to be held in the calendar year 2021, subject to ratification by the shareholders annually.

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, 2016 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 No. MGT-9 is presented here under in Annexure - IV.

Corporate Governance

As per Listing Regulations, 2015, Corporate Governance Report with a certificate of Practicing Company Secretary thereon and Management Discussion and Analysis are attached, which form part of 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: 5th May, 2016
Place: Mumbai

ANNEXURE - I TO THE DIRECTORS' REPORT

FORM AOC - 1

Statement containing salient features of the financial statement of Subsidiaries/Associate Company

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

PART 'A': Subsidiaries

₹ in millions

Name of Subsidiary	Denovo Enterprises Pvt. Ltd.	Equinox Wellness Pvt. Ltd.	Aspire Fitness Pvt. Ltd.	Jyotsna Fitness Pvt. Ltd.	Talwalkars Club Pvt. Ltd.	Talwalkars Club Systems Pvt. Ltd.	Inshape Health and Fitnez Pvt. Ltd.
Reporting period	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016	31st March, 2016
Share capital	10.00	6.00	10.00	0.20	0.10	0.10	8.00
Reserves & surplus	174.83	5.31	34.98	26.91	9.72	13.81	19.45
Total assets	314.70	18.37	102.73	193.93	445.53	523.01	51.11
Total Liabilities	139.87	7.07	57.75	166.82	435.71	509.10	23.65
Investments (other than in Subsidiaries & jointly controlled entities)	-	-	-	0.50	-	-	-
Turnover	29.80	-	107.94	77.63	-	20.00	23.11
Profit before taxation	(0.04)	(0.92)	4.09	6.42	-	19.98	0.05
Provision for taxation	-	-	1.62	2.02	-	6.17	-
Profit after taxation	(0.04)	(0.92)	2.46	4.40	-	13.81	0.05
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	50.10%	*33.33%	50.001%	50.02%	99.99%	99.99%	51.00%

* 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.

Part 'B': Associate

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company

Name of Associates	Power World Gyms Limited
1. **Latest Balance Sheet Date**	31.03.2016
2. **Shares of Associate held by the company on the year end**	
No. of Fully Paid up ordinary Shares held	42,108,459
Amount of Investment in Associates	₹48.68 millions
Extend of Holding %	49.50%
3. **Description of how there is significant influence**	The Company has significant influence through holding more than 20% of the Equity Shares in the investee company in terms of Accounting Standard 23 issued by ICAI.
4. **Reason why the associate is not consolidated**	Not Applicable
5. **Net worth attributable to Shareholding as per latest Balance Sheet**	₹25.16 millions
6. **Profit/Loss for the year**	
i. Considered in Consolidation	₹0.03 million
ii. Not Considered in Consolidation	-

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

	Prashant Talwalkar	Anant Gawande
Date: 5th May, 2016	*Managing Director & CEO*	*Whole-time Director & CFO*
Place: Mumbai	DIN: 00341715	DIN: 00324734

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. Average net profit of the Company for last three financial years: ₹503.05 millions
2. Prescribed CSR Expenditure (two per cent of the amount as in item 1 above): ₹10.06 millions
3. Details of CSR spent during the financial year:
   a. Total amount to be spent for the financial year: ₹10.06 millions
   b. Amount unspent: ₹4.89 millions
   c. Manner in which the amount spent during the financial year is detailed below:

₹ 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 (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	2.26	0.85	0.85	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	2.33	0.50	0.50	Direct
3	Healthcare	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation	1. Local area 2. State of Maharashtra	2.03	0.45	0.45	Direct
4	Promoting nationally recognized sports	Training to promote rural sports, nationally recognized sports	1. Local area 2. State of Maharashtra	3.44	3.37	3.37	Direct
	Total			**10.06**	**5.17**	**5.17**	

4. 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.
5. 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

Date: 5th May, 2016
Place: Mumbai

ANNEXURE - III TO THE DIRECTORS' REPORT

Secretarial Audit Report for the financial year ended 31st March, 2016

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

To,
The Members,
Talwalkars Better Value Fitness Limited
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai- 400 026

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, 2016 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, 2016 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-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 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015);

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 (Share Based Employee Benefits) Regulations, 2014; (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 with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made effective 1st July, 2015;

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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: 5th May, 2016
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
CP No. 8330

Date: 5th May, 2016
Place: Mumbai

ANNEXURE - IV TO THE DIRECTORS' REPORT

Extract of Annual Return As on the year ended 31st March, 2016

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	24th 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	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** 1st Floor, Unit No.21, Navyug Industrial Estate, MIDC Cross Road, J.B. Nagar, Andheri (East), Mumbai 400 059	U55100MH2005PTC151128	Subsidiary	50.10%	2(87)
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)

Sr. No	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
4	**Jyotsna Fitness Private Limited** 301, 3rd Floor, Nirman Vyapar Kendra, Above Hotel Navratna, Sector 17, Vashi, Navi Mumbai - 400 703	U85190MH2011PTC219468	Subsidiary	50.02%	2(87)
5	**Talwalkars Club Private Limited** 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai - 400 026	U93000MH2014PTC254851	Subsidiary	99.99%	2(87)
6	**Talwalkars Club Systems Private Limited** 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai - 400 026	U93000MH2016PTC274581	Subsidiary	99.99%	2(87)
7	**Inshape Health and Fitnez Private Limited** 64/1, Arcot Road, Alwarthirunagar Annexe, Alwarthirunagar, Chennai - 600 087	U85100TN2008PTC066959	Subsidiary	51.00%	2(87)
8	**Power World Gyms Ltd.** 282/9A Kotte Road, Pitakotte Colombo, Srilanka	--	Associate	49.50%	2(6)

* 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 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	11,333,128	–	11,333,128	43.29	11,266,460	–	11,266,460	37.93	(5.36)
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)	11,340,811	–	11,340,811	43.32	11,274,143	–	11,274,143	37.95	(5.36)

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign									
a) NRIs- Individual	–	–	–	–	–	–	–	–	–
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)	11,340,811	–	11,340,811	43.32	11,274,143	–	11,274,143	37.95	(5.36)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,529,238	–	2,529,238	9.66	2,184,323	–	2,184,323	7.35	(2.31)
b) Banks/Financial Institutions	62,412	–	62,412	0.24	655,843	–	655,843	2.21	1.97
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt.	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) Foreign Institutional Investors	3,007,914	–	3,007,914	11.49	1,176,249	–	1,176,249	3.96	(7.53)
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Any Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-Total (B)(1)	5,599,564	–	5,599,564	21.39	4,016,415	–	4,016,415	13.52	(7.87)

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	3,273,665	–	3,273,665	12.50	4,466,922	–	4,466,922	15.04	2.53
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 Lakh	1,919,381	10,236	1,929,617	7.37	2,806,361	10,236	2,816,597	9.48	2.11
ii) Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	2,685,221	–	2,685,221	10.26	2,909,267	–	2,909,267	9.79	(0.46)
c) Any Others (Specify)									
i) Clearing Member	526,961	–	526,961	2.01	624.349	–	624.349	2.10	0.09
ii) Non-Resident Indians (Repat)	506,101	–	506,101	1.93	238,385	–	238,385	0.80	(1.13)
iii) Non-Resident Indians (Non-Repat)	151,281	–	151,281	0.58	160,933	–	160,933	0.54	(0.04)
iv) Trusts	33,690	–	33,690	0.13	–	–	–	–	(0.13)
v) HUF	–	–	–	–	220,512	–	220,512	0.74	0.74
v) Foreign Portfolio Investor (Corporate)	133,977	–	133,977	0.51	2,977,333	–	2,977,333	10.02	9.51
Sub-Total (B)(2)	9,230,277	10,236	9,240,513	35.29	14,404,062	10,236	14,414,298	48.53	13.23
Total Public Shareholding (B)=(B)(1)+(B)(2)	14,829,841	10,236	14,840,077	56.68	18,420,477	10,236	18,430,713	62.05	5.36
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	26,170,652	10,236	26,180,888	100.00	29,694,620	10,236	29,704,856	100.00	–

ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% 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	–	2,872,780	9.67	–	(1.27)
2	Madhukar Talwalkar	1,92,168	0.73	–	100,000	0.34	–	(0.39)
3	Vinayak Gawande	1,920,200	7.33	–	1,928,700	6.49	–	(0.84)
4	Prashant Talwalkar	2,876,080	10.99	–	2,884,580	9.71	–	(1.28)
5	Harsha Bhatkal	1,560,200	5.96	–	1,560,200	5.25	–	(0.71)
6	Anant Gawande	1,920,200	7.33	–	1,920,200	6.46	–	(0.87)
7	Better Value Leasing and Finance Ltd.	7,683	0.03	–	7,683	0.03	–	–
	Total	**11,340,811**	**43.32**	**–**	**11,274,143**	**37.95**	**–**	**(5.36)**

Note: Decrease in Percentage of promoter's shareholding has occurred due to increase of paid-up share capital of the Company during the financial year.

iii) Change in Promoters Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	11,340,811	43.32	11,340,811	43.32
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/ transfer/bonus/sweat equity etc.)				
	Increase in Shareholding (Purchase of Shares)				
1.	Girish Talwalkar	2,864,280			
	28.08.2015 (purchase from open market)	2,500	0.008	2,866,780	9.65
	29.09.2015 (purchase from open market)	1,500	0.005	2,868,280	9.66
	05.10.2015 (purchase from open market)	3,500	0.012	2,871,780	9.67
	11.12.2015 (purchase from open market)	1,000	0.003	2,872,780	9.67

Sr. No.	Particulars	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	Prashant Talwalkar	2,876,080			
	28.08.2015 (purchase from open market)	2,500	0.008	2,878,580	9.69
	29.09.2015 (purchase from open market)	1,500	0.005	2,880,080	9.70
	05.10.2015 (purchase from open market)	3,500	0.012	2,883,580	9.71
	11.12.2015 (purchase from open market)	1,000	0.003	2,884,580	9.71
3.	Vinayak Gawande	1,920,200			
	28.08.2015 (purchase from open market)	2,500	0.008	1,922,700	6.47
	29.09.2015 (purchase from open market)	1,500	0.005	1,924,200	6.48
	05.10.2015 (purchase from open market)	3,500	0.012	1,927,700	6.49
	11.12.2015 (purchase from open market)	1,000	0.003	1,928,700	6.49
	Decrease in Shareholding (Sale of Shares)				
4.	Mr. Madhukar Talwalkar	192,168			
	20.04.2015 (open market sale)	17,741	0.067	1,74,427	0.59
	29.04.2015 (open market sale)	34,293	0.115	1,40,134	0.47
	19.05.2015 (open market sale)	40,134	0.135	100,000	0.34
	At the end of the year	11,274,143	37.95	11,274,143	37.95

Note: Shareholding Percentage is calculated considering the increased paid up share capital of the Company except for percentage 'At the beginning of the year'.

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 01.04.2015		Cumulative Shareholding at the end of the year 31.03.2016	
		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	2,389,000	8.04
2	Laxmi Shivanand Mankekar and Kedar Shivanand Mankekar	1,573,520	6.01	1,573,520	5.30
3	Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III	--	--	1,475,400	4.97
4	American Funds Insurance Series Global Small Capitalisation Fund	650,000	2.48	1,020,000	3.43
5	Bajaj Allianz Life Insurance Company Limited	1,097,233	4.19	1,013,216	3.41
6	Reliance Capital Trustee Co Ltd-A/C Reliance Monthly Income Plan	933,816	3.57	812,116	2.73
7	Axis Bank Limited	60,603	0.23	600,000	2.02
8	Franklin India Smaller Companies Fund	657,119	2.51	487,502	1.64
9	Birla Sun Life Trustee Company Private Limited A/C India Excel (Offshore) Fund	88,000	0.34	423,000	1.42
10	Long Term India Fund	326,145	1.25	338,000	1.14
11	Indo Thai Securities Limited	112,315	0.45	301,844	1.02
12	ICICI Lombard General Insurance Company Ltd.	280,001	1.07	300,001	1.01
13	L and T Mutual Fund Trustee Ltd. - L and T India Special Situations Fund	640,553	2.45	--	--
14	Prasad R. Deshpande and Meghana Prasad Deshpande	158,725	0.61	158,725	0.53

Note: 1. The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

2. Cumulative shareholding percentage at the end of the year has been calculated on the basis of increased paid up share capital of the Company.

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)				
	At the beginning of the year	2,864,280		2,864,280	
	28.08.2015 (purchase from open market)	2,500	0.008	2,866,780	9.65
	29.09.2015 (purchase from open market)	1,500	0.005	2,868,280	9.66
	05.10.2015 (purchase from open market)	3,500	0.012	2,871,780	9.67
	11.12.2015 (purchase from open market)	1,000	0.003	2,872,780	9.67
	At the end of the year	--	--	2,872,780	9.67

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
2.	Madhukar Talwalkar (Whole-time Director)				
	At the beginning of the year	192,168		192,168	
	20.04.2015 (open market sale)	17,741	0.067	1,74,427	0.59
	29.04.2015 (open market sale)	34,293	0.115	1,40,134	0.47
	19.05.2015 (open market sale)	40,134	0.135	100,000	0.34
	At the end of the year	--	--	100,000	0.34
3	Vinayak Gawande (Whole-time Director)				
	At the beginning of the year	1,920,200		1,920,200	
	28.08.2015 (purchase from open market)	2,500	0.008	1,922,700	6.47
	29.09.2015 (purchase from open market)	1,500	0.005	1,924,200	6.48
	05.10.2015 (purchase from open market)	3,500	0.012	1,927,700	6.49
	11.12.2015 (purchase from open market)	1,000	0.003	1,928,700	6.49
	At the end of the year	--	--	1,928,700	6.49
4	Prashant Talwalkar (Managing Director & CEO)				
	At the beginning of the year	2,876,080		2,876,080	
	28.08.2015 (purchase from open market)	2,500	0.008	2,878,580	9.69
	29.09.2015 (purchase from open market)	1,500	0.005	2,880,080	9.70
	05.10.2015 (purchase from open market)	3,500	0.012	2,883,580	9.71
	11.12.2015 (purchase from open market)	1,000	0.003	2,88,4580	9.71
	At the end of the year	--	--	2,88,4580	9.71
5	Harsha Bhatkal (Whole-time Director)				
	At the beginning of the year	1,560,200		1,560,200	
	At the end of the year	--	--	1,560,200	5.25
6	Anant Gawande (Whole-time Director & CFO)				
	At the beginning of the year	1,920,200		1,920,200	
	At the end of the year	--	--	1,920,200	6.46
7	Manohar Bhide (Independent Director)				
	At the beginning of the year	6,296		6,296	
	At the end of the year	--	--	6,296	0.02
8	Avanti Sankav (Company Secretary & Compliance Officer)				
	At the beginning of the year	1		1	0.00
	At the end of the year	--		1	0.00

Note: Shareholding Percentage is calculated considering the increased paid up share capital of the Company.

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	2,613.41	0.37	--	2613.78
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	36.61	--	--	36.61
Total (i + ii + iii)	**2650.02**	**0.37**	--	**2650.39**
Change in Indebtedness during the financial year				
Addition	1295.00	--	--	1295.00
Reduction	(653.50)	(0.37)	--	(653.87)
Net Change	**641.50**	**(0.37)**	--	**641.13**
Indebtedness at the end of the financial year				
i) Principal Amount	3135.25	--	--	3135.25
ii) Interest due but not paid	101.57	--	--	101.57
iii) Interest accrued but not due	54.70	--	--	54.70
Total (i + ii + iii)	**3291.52**	--	--	**3291.52**

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							
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	--	4.20	4.20	4.20	4.20	4.20	21.00
	(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)	--	**4.20**	**4.20**	**4.20**	**4.20**	**4.20**	**21.00**
	Ceiling as per the Act	₹ 55.49 millions (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
1	Independent Directors	Manohar Bhide	Avinash Phadke	Raman Maroo	Mohan Jayakar	Abhijeet Patil	Dinesh Afzulpurkar	Mrunalini Deshmukh	
	Fee for attending Board/Committee Meetings	0.08	0.12	0.06	0.03	0.12	0.07	--	0.48
	Commission	--	--	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--	--	--
	Total (1)	**0.08**	**0.12**	**0.06**	**0.03**	**0.12**	**0.07**	**--**	**0.48**
2.	Other Non-Executive Directors								
	Fee for attending Board/Committee Meetings	--	--	--	--	--	--	0.05	0.05
	Commission	--	--	--	--	--	--	--	--
	Total (2)	**--**	**--**	**--**	**--**	**--**	**--**	**0.05**	**0.05**
	Total (B)=(1+2)	**0.08**	**0.12**	**0.06**	**0.03**	**0.12**	**0.07**	**0.05**	**0.53**
	Total Managerial Remuneration	**0.08**	**0.12**	**0.06**	**0.03**	**0.12**	**0.07**	**0.05**	**0.53**
	Overall Ceiling as per the Act	₹5.55 millions (being 1% of the net profit 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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Avanti Sankav Company Secretary
1.	Gross salary	--
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.11
	(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	**1.11**

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

Good Corporate Governance is the equilibrium of the application of the sound management practices and compliance with the laws coupled with the observance of transparency and business ethics. The Board of Talwalkars Better Value Fitness Limited (TBVF) regularly monitors these main drivers, the effectiveness of the Company's governance practices and oversees the process of disclosure and communications. TBVF ensures maintaining the balance of interests of all its stakeholders. It emphasizes on 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 and seven Non-Executive Independent Directors including a Woman Director. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.

Meetings of Board of Directors

During the year, seven board meetings were held on 8th April, 2015, 7th May, 2015, 6th August, 2015, 10th September, 2015, 5th November, 2015, 7th December, 2015 and 4th February, 2016 with a time gap between two meetings not exceeding one hundred and twenty days. 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 10.09.2015	No. of Directorship in all other Companies*	Committee Membership/ Chairmanship in all Companies**	
					Member	Chairman
Mr. Girish Talwalkar	EC	07	Yes	Nil	01	Nil
Mr. Madhukar Talwalkar	WTD	06	Yes	Nil	Nil	Nil
Mr. Vinayak Gawande	WTD	07	Yes	01	Nil	Nil
Mr. Prashant Talwalkar	MD & CEO	07	Yes	Nil	Nil	Nil
Mr. Harsha Bhatkal	WTD	06	Yes	01	Nil	Nil
Mr. Anant Gawande	WTD & CFO	06	Yes	01	02	Nil
Mr. Manohar Bhide	ID	05	Yes	02	02	01
Mr. Raman Maroo	ID	06	No	02	Nil	Nil
Mr. Mohan Jayakar	ID	02	No	03	01	01
Dr. Avinash Phadke	ID	07	Yes	01	01	Nil
Mr. Abhijeet Patil	ID	04	Yes	Nil	Nil	02
Mr. Dinesh Afzulpurkar	ID	05	Yes	Nil	Nil	Nil
Mrs. Mrunalini Deshmukh	ID	02	No	Nil	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.

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.

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, 2016

Details of remuneration paid to Directors of the Company for the year ended 31st March, 2016 is as follows:

Name of Director	Designation	Gross Salary & Perquisites (₹)	Name of Director	Designation	Gross Salary & Perquisites (₹)
Mr. Girish Talwalkar	Executive Chairman	--	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, 2016 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, powers, role and the terms of reference of the Audit Committee are in line with the provisions as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015") and other applicable laws, rules and regulations.

During the year, four Audit Committee meetings were held on 7th May, 2015, 6th August, 2015, 5th November, 2015 and 4th February, 2016.

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	03
Dr. Avinash Phadke	Member	Independent Director	04
Mr. Anant Gawande	Member	Whole-time Director & CFO	03

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

2) Nomination and Remuneration Committee

The composition, powers, role and the terms of reference of the Nomination and Remuneration Committee are in line with the provisions as specified under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015. 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 Listing Regulations, 2015.

Remuneration Policy

Your Company has a well defined Remuneration Policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. 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.

Criteria for Evaluation of the performance of Independent Directors

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 the Listing Regulations, 2015 are the foundation for quality comparison of the performance of Independent Directors.

During the year, Mr. Manohar Bhide resigned from the Committee and Mr. Raman Maroo was appointed as the Chairman of the Committee in his place.

During the year, two Nomination and Remuneration Committee meetings were held on 5th November, 2015 and 15th March, 2016.

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

Name of Director	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Mr. Raman Maroo	Chairman	Independent Director	01
Dr. Avinash Phadke	Member	Independent Director	02
Mr. Abhijeet Patil	Member	Independent Director	02

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

3) Stakeholders' Relationship Committee

The composition, powers, role and the terms of reference of the Stakeholders' Relationship Committee are in line with the provisions as specified under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, 2015. 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 Regulations, 2015.

During the year, three Stakeholders' Relationship Committee Meetings were held on 7th May, 2015, 5th November, 2015 and 4th February, 2016.

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	01
Mr. Girish Talwalkar	Member	Executive Chairman	03
Mr. Anant Gawande	Member	Whole-time Director & CFO	03

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

During the year, 1 complaint was received from the shareholder which was duly resolved. As on 31st March, 2016, 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, 2016. 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, four Management Committee Meetings were held on 7th May, 2015, 6th August, 2015, 6th November, 2015 and 4th February, 2016.

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	04
Mr. Prashant Talwalkar	Member	Managing Director & CEO	04
Mr. Harsha Bhatkal	Member	Whole-time Director	03
Mr. Anant Gawande	Member	Whole-time Director & CFO	03
Mr. Manohar Bhide	Member	Independent Director	04
Mr. Abhijeet Patil	Member	Independent Director	03

5) Corporate Social Responsibility (CSR) Committee

The composition, powers, role and the terms of reference of the CSR Committee are in line with the provisions as specified under Section 135 of the Companies Act, 2013. 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 the applicable provisions of the Companies Act, 2013 and rules, regulations made there-under. During the year, one meeting of the CSR Committee was held on 8th April, 2015 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. Vinayak Gawande	Member	Whole-time Director
Mr. Girish Talwalkar	Member	Executive Chairman

6) Risk Management Committee

Risk Management Committee was formed pursuant to Clause 49 VI of the Listing Agreement with the Stock Exchanges. The composition, powers, role and the terms of reference of the Risk Management Committee are in line with the provisions of Regulation 21 of the Listing Regulations, 2015. 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. During the year, one meeting of the Risk Management Committee was held on 7th May, 2015 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. Prashant Talwalkar	Chairman	Managing Director & CEO
Mr. Anant Gawande	Member	Whole-time Director & CFO
Mr. Harsha Bhatkal	Member	Whole-time Director

7) Prevention of 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, Prevention of 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, one meeting of the Prevention of Sexual Harassment Committee was held on 1st March, 2016 and all members were present at the meeting.

The composition of the Committee is given below:

Name of Member	Designation in the Committee
Ms. Avanti Sankav	Chairperson
Ms. Anupa Kamble	Member
Ms. Akanksha Vaidya	Member
Dr. Smita Sukhtankar	Member

During the financial year 2015-16, the Company has received no complaints on sexual harassment and as such no complaints have been disposed off or pending as on 31st March, 2016.

Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on 4th February, 2016 to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company. Mr. Dinesh Afzulpurkar and Mrs. Mrunalini Deshmukh were absent at the meeting, which was chaired by Mr. Manohar Bhide.

Familiarisation programme for Board Members

Your Company furnished detailed information to its Independent Directors about the functioning of the Company comprising of the various financial, legal and operational matters with a view to give an insight into the working of the Company. (weblink : http://www.talwalkars.net/pdf/FamiliarisationProgramme12716164444828.pdf)

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
2012-13	8th August, 2013 at 12:30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001.	No Special Resolution was passed
2013-14	18th September, 2014 at 12.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001.	• 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*
2014-15	10th September, 2015 at 11.30 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001.	• Confirmation of appointment of Mrs. Mrunalini Deshmukh as Director of the Company • Approval for Private Placement of NCD

* 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 financial year 2015-16, five resolutions were passed through Postal Ballot, details of business along with voting pattern for the said resolutions are set out herein below:

Details of Business	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
Issue of Securities under the provisions of Sections 23, 42 and 62(1)(c) the Companies Act, 2013	Special	17,435,367	17,405,140	99.83	30,227	0.17
Approval for the offer or invitation to subscribe to Non-Convertible Debentures on private placement basis	Special	17,435,267	17,405,030	99.83	30,237	0.17
Increase in authorized share capital of the Company	Ordinary	17,435,267	17,405,048	99.83	30,219	0.17
Alteration of Capital Clause of the Memorandum of Association for increase in authorized share capital	Ordinary	17,435,267	17,405,048	99.83	30,219	0.17
Adoption of new Articles of Association of the Company containing regulations in conformity to the requirements of the Companies Act, 2013	Special	16,794,714	16,794,495	99.99	219	0.01

Date of Postal Ballot Notice: 8th April, 2015
Voting Period: 11th April, 2015 to 11th May, 2015

Date of Declaration of Result: 12th May, 2015
Date of Approval: 12th May, 2015

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 and 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 resolutions proposed to be passed by postal ballot. Members were allowed to vote by way of postal ballot form or e-voting system of Central Depository Services (India) Limited.

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.

The Board has approved a policy for related party transactions which has been uploaded on Company's website at the following weblink: http://www.talwalkars.net/pdf/PolicyonRelatedPartyTransactions12716165958474.pdf.

Disclosure of Accounting Treatment

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

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. No person has been denied access to the Audit Committee

Subsidiary Companies

The Audit committee reviews the consolidated financial statements of the Company and the investment made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have and material non-listed Indian subsidiary company.

The Company has a policy for determining 'material subsidiaries' which has been uploaded on Company's website at the following weblink: http://www.talwalkars.net/pdf/PolicyforMaterialSubsidiary12716164544408.pdf.

Details of non-compliance

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 and regulations which are applicable to the Company.

Code of Conduct for Directors and Senior Management

The members of the Board and Senior Management personnel have affirmed the compliance with Code applicable to them during the year ended 31st March, 2016. The Annual Report of the Company contains a certificate by the CEO and Managing Director in terms of Listing Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

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 Regulation 34 of the Listing Regulations, 2015 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 Regulation 26 of the Listing Regulations, 2015.

Payment of Listing Fees

The Company has duly paid the Listing Fees of the Stock Exchanges for the year 2015-16 within the stipulated time.

Qualification in the Auditors Report

There is no qualification in the Auditors Report for the year ended 31st March, 2016.

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 Nav Shakti.

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 Statement, 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, 8th September, 2016 at 11.30 a.m.** 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
Financial Year	1st April to 31st March
Financial Calendar (2015-16)	
Unaudited results for the quarter ending 30th June, 2015	6th August, 2015
Unaudited results for the quarter ending 30th September, 2015	5th November, 2015
Unaudited results for the quarter ending 31st December, 2015	4th February, 2016
Audited results for the quarter and year ending 31st March, 2016	5th May, 2016
Financial Calendar (2016-17)	
Unaudited results for the quarter ending 30th June, 2016	On or before 14th August, 2016
Unaudited results for the quarter ending 30th September, 2016	On or before 14th November, 2016
Unaudited results for the quarter ending 31st December, 2016	On or before 14th February, 2017
Audited results for the quarter and year ending 31st March, 2017	On or before 29th May, 2017
Book closure dates	Saturday, 3rd September, 2016 to Thursday, 8th September, 2016 (both days inclusive)
Dividend payment date	On or after 8th September, 2016
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

• 250 non-convertible debt securities (NCDs) of ₹1,000,000/- each aggregating to ₹250,000,000/- issued and allotted on 6th November, 2015 on private placement basis are listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments' effective from 20th November, 2015.

Stock codes

Scrip code: 952983; Scrip ID: 985TBVFL21

ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07062

Talwalkars
Spreading fitness since 1932

• 250 non-convertible debt securities (NCDs) of ₹1,000,000/- each aggregating to ₹250,000,000/- issued and allotted on 7th December, 2015 on private placement basis are listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments' effective from 23rd December, 2015

Stock codes

Scrip code: 953106; Scrip ID: 10TBVFL18

ISIN Number for NSDL and CDSL for dematerialised securities: INE502K07070

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

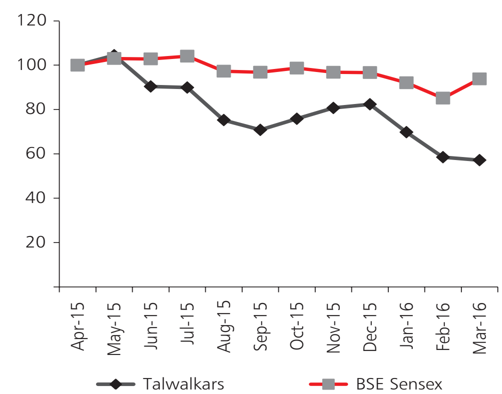
The Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments.

Stock market price data for the year on NSE & BSE

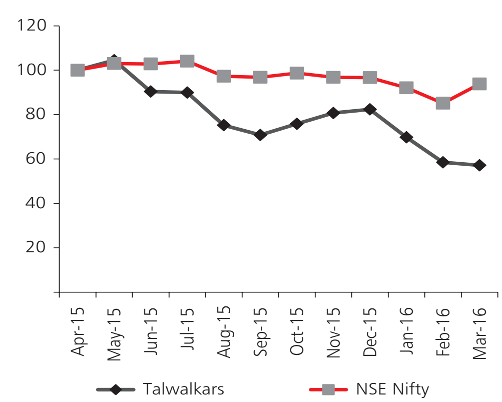
The monthly high and low prices of the Company's shares during 2015-16 on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are as under:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	374.80	315.00	375.40	315.00
May, 2015	357.30	319.90	358.05	318.45
June, 2015	361.00	289.00	362.00	288.35
July, 2015	312.80	284.90	313.50	284.45
August, 2015	315.50	216.00	316.00	216.00
September, 2015	251.40	225.40	250.00	225.00
October, 2015	279.70	233.90	279.80	233.00
November, 2015	274.70	241.40	274.60	239.95
December, 2015	289.70	243.00	289.90	243.50
January, 2016	279.20	208.90	279.95	206.15
February, 2016	250.20	188.00	251.80	188.60
March, 2016	213.00	182.00	213.30	181.00

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, 2016.

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, 2016

No. of Equity Shares held	No. of shareholders	No. of shares held	% of shareholding
Upto 500	11,682	1,170,352	3.94
501 to 1,000	665	519,352	1.75
1,001 to 2,000	346	520,959	1.75
2,001 to 3,000	131	337,975	1.14
3,001 to 4,000	75	272,505	0.92
4,001 to 5,000	34	156,399	0.53
5,001 to 10,000	106	792,523	2.67
More than 10,000	125	25,934,791	87.30
Total	**13,164**	**29,704,856**	**100.00**

Shareholding pattern as on 31st March, 2016

Category	No. of Shares held	% of Share holding
Promoters & Promoters Group	11,274,143	37.95
Other Directors & their relatives	6,296	0.02
Clearing Member	624,349	2.10
Other Bodies Corporate & Financial Institutions	4,476,527	15.07
Foreign Institutional Investors (FII's)	1,176,249	3.96
Hindu Undivided Family	220,512	0.74
Mutual Funds	2,184,323	7.35
Non-Nationalised Banks	646,238	2.18
Non-Resident Indians (Repatriable)	238,385	0.80
Non-Resident Indians (Non-Repatriable)	160,933	0.54
Public	5,719,568	19.27
Foreign Portfolio Investor (Corporate)	2,977,333	10.02
Total	**29,704,856**	**100.00**

Dematerialisation of shares

As on 31st March, 2016, 99.96% of the total paid up capital representing 29,694,620 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: 5th May, 2016
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 ("the Company"), for the year ended on 31st March, 2016, as stipulated in:

a. Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period 1st April, 2015 to 30th November, 2015;

b. Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period 1st April, 2015 to 1st September, 2015;

c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period 2nd September, 2015 to 31st March, 2016 and

d. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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 statement 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 Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, 2015 for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.

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: 5th May, 2016
Place: Mumbai

Geeta Canabar
Proprietor

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

To
The Members
Talwalkars Better Value Fitness Limited

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 to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as applicable to them during the year ended 31st March, 2016.

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

Date: 5th May, 2016
Place: Mumbai

Prashant Talwalkar
Managing Director & CEO
DIN: 00341715

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

To
The Board of Directors
Talwalkars Better Value Fitness Limited

Dear Sirs,

COMPLIANCE CERTIFICATE
(Issued in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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, 2016 and to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.

(2) 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:

(1) that there are no significant changes in internal control over financial reporting during the year;

(2) that there are no significant changes in accounting policies during the year; and

(3) that there are no instances of significant fraud of which we have become aware, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Prashant Talwalkar	**Anant Gawande**
Managing Director & CEO	*Whole-time Director & CFO*
DIN: 00341715	DIN: 00324734

Date: 5th May, 2016
Place: Mumbai

INDEPENDENT AUDITORS' 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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 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. 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, 2016, 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, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the said order.

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. However, the accounting impact of Company's policy on impairment of Assets needs to be reviewed.

(e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(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 25 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. Dandeker & Co.,
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

Date: May 05, 2016
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

1. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

   b. The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.

   c. The title deeds of immovable properties are held in the name of the Company.

2. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

3. The Company has granted Interest free unsecured loans to its Subsidiary Companies covered in the register maintained under section 189 of the Companies Act, 2013.

   a. The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

   b. The terms of arrangements does not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (b) and (c) of the Order is not applicable.

4. According to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 are complied with in respect of loans, investments, guarantees and securities given by the Company.

5. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

6. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act is not applicable to the Company.

7. a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities.

   b. According to the information and explanation given to us, the Company has no statutory dues which have not been deposited on account of disputes.

8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.

9. The moneys raised by way of debt instruments and term loans were applied for the purposes for which those are raised and for the benefit of the Company.

10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

12. The Company is not a Nidhi Company and hence paragraph 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. The Company has made private placement of shares during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised and for the benefit of the Company.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M. K. Dandeker & Co.,
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

Date: May 05, 2016
Place: Mumbai

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Talwalkars Better Value Fitness Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. K. Dandeker & Co.,
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

Date: May 05, 2016
Place: Mumbai

Talwalkars
Spreading fitness since 1932

BALANCE SHEET as at 31st March, 2016

₹ In Million

Particulars	Note to Accounts No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY & LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	2	297.05	261.81
(b) Reserves and Surplus	3	3834.25	2381.34
2) Non-Current Liabilities			
(a) Long Term Borrowings	4	2740.52	2357.78
(b) Deferred Tax Liabilities	5	268.25	244.83
(c) Other Long Term Liabilities	6	21.14	2.00
3) Current Liabilities			
(a) Trade Payables			
i) Total Outstanding dues of Micro & Small Enterprises		-	-
ii) Total Outstanding dues of Creditors other than Micro & Small Enterprises		94.48	134.52
(b) Other Current Liabilities	7	646.66	357.07
(c) Short Term Provisions	8	129.54	121.22
TOTAL		8031.89	5860.57
II. ASSETS			
1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		4291.49	3945.22
(ii) Intangible Assets		53.86	35.00
(iii) Capital Work In Progress		592.68	569.24
(iv) Intangible Asset under development		3.32	3.32
(b) Non-Current Investments	10	114.57	72.31
(c) Long Term Loans and Advances	11	1121.89	333.81
(d) Other Non-Current Assets	12	0.21	0.09
2) Current Assets			
(a) Current Investments	13	0.22	0.22
(b) Inventories	14	0.39	0.42
(c) Trade Receivables	15	283.65	294.10
(d) Cash and Cash Equivalents	16	1200.26	443.10
(e) Short Term Loans and Advances	17	369.35	163.74
TOTAL		8031.89	5860.57
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. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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
Harsha Bhatkal	Whole time Director
Manohar Bhide	Independent Director
Raman Maroo	Independent Director
Dinesh Afzulpurkar	Independent Director
Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

₹ in Million

Particulars	Notes to Accounts No.	Year Ended March 31, 2016	Year Ended March 31, 2015
1. REVENUE			
(a) Revenue from Operations	18	2,605.91	2,240.85
Less: Service Tax		313.67	238.63
		2,292.24	2,002.22
(b) Other Income	19	67.20	7.81
Total Revenue		2,359.44	2,010.03
2. EXPENSES			
(a) Changes in Inventories	20	0.03	0.21
(b) Employee benefit expenses	21	336.64	307.09
(c) Finance costs	22	155.85	109.14
(d) Depreciation and amortization expenses		435.64	366.77
(e) Other expenses	23	605.31	567.83
Total Expenses		1,533.47	1,351.04
3. Profit before exceptional and extraordinary items and tax (1 - 2)		825.97	658.99
4. Exceptional Items	24	(0.28)	-
5. Profit before extraordinary items and tax (3 + 4)		825.69	658.99
6. Extraordinary Items		-	-
7. Profit before Tax for the year (5 + 6)		825.69	658.99
8. Tax expense:			
(a) Current tax expenses for current year		265.63	191.51
(b) Tax expenses relating to prior years		2.72	-
(c) MAT Credit Reversal / (Entitlement)		-	20.17
(d) Deferred tax		23.42	17.47
9. Profit for the year from continuing operations (7 - 8)		533.92	429.84
10. Profit/(Loss) from discontinuing operations		-	-
11. Profit for the year (9 + 10)		533.92	429.84
12. Earning per Equity Share (of ₹ 10 each) :			
(a) Basic	27	18.47	16.42
(b) Diluted	27	18.47	16.42
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. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

CASH FLOW STATEMENT for the year ended 31st March, 2016

₹ in Million

	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before Extraordinary Items & Tax	825.69	658.99
	Adjustment for :		
	Depreciation & Amortisation	435.64	366.77
	Finance cost (Net)	155.85	109.19
	Income from Investment activity	(61.13)	(0.30)
	(Profit)/Loss on sale of assets	0.28	-
		530.64	475.66
	Operating Profit before Working capital changes	1,356.33	1,134.65
	Adjustment for Working Capital Changes:		
	(Increase)/Decrease in Current Assets	(873.48)	(164.53)
	(Increase)/Decrease in Trade and other receivables	10.44	(19.90)
	Increase/(Decrease) in Trade and other payables	4.16	30.54
		(858.88)	(153.89)
	Cash generated from operations	497.45	980.76
	Net Income Tax (Paid) / Refund	(271.82)	(217.67)
	Net cash from operating activities	225.63	763.09
B	**CASH FLOW FROM INVESTING ACTIVITES:**		
	Purchase of Long Term Investments	(42.26)	(0.10)
	Capital Expenditure on Fixed Assets including Capital Advances	(707.84)	(1,088.82)
	Proceeds from sale of fixed assets	1.43	306.83
	Income from Investment activity	61.13	0.30
	Purchase of Short Term Investments	(1,237.27)	(216.30)
	Proceeds from sale of Short Term Investments	1,237.27	253.59
	Net cash (used in)/from Investing activities	(687.54)	(744.50)

CASH FLOW STATEMENT for the year ended 31st March, 2016

₹ in Million

	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Issue of Shares	1,074.81	-
	Redemption of Non Convertible Debentures	-	(300.00)
	Issue proceeds from Non Convertible Debentures	500.00	500.00
	Share/ Debenture issue expenses	(60.61)	(0.68)
	Proceeds from Borrowings	479.57	2,754.14
	Repayment of Long term and other borrowings	(458.09)	(2,299.59)
	Finance cost paid	(263.01)	(224.98)
	Dividend Paid	(44.56)	(39.27)
	Dividend Tax Paid	(8.91)	(6.67)
	Net cash (used in)/from Financing Activities	1,219.20	382.95
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	757.28	401.54
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	443.19	41.65
	Cash & Bank Balance including Fixed Deposits	1,200.47	443.19
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,200.47	443.19

As per our report of even date attached
For M.K. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

For and on behalf of the Board

Girish Talwalkar	Executive Chairman
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Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2016

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, 2015, 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.
- The Company has reviewed the useful life of the fixed assets based on Schedule II to the Companies Act, 2013.
- 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.
- 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 Costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period 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 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.

Significant accounting policies and notes to the Standalone Financial Statements
for the year ended 31st March, 2016

(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 Companies (Share Capital & Debentures) rules, 2014 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, 2016		As at March 31, 2015	
	No.	₹ in Million	No.	₹ in Million
AUTHORISED:				
Equity Shares of ₹ 10/- each with voting rights	32,000,000	320.00	30,000,000	300.00
		320.00		300.00
ISSUED, SUBSCRIBED & PAID-UP:				
Equity Shares of ₹ 10/- each with voting rights	29,704,856	297.05	26,180,888	261.81
Total	29,704,856	297.05	26,180,888	261.81

(i) Terms/ Rights attached to Equity Shares

(a) The Company has only one class of shares namely Equity Shares having a face value of ₹10 per share.

(b) 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.

(c) 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.

(d) 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 the number of Shares and Amount outstanding at the beginning and at the end of the reporting period

Details	As at March 31, 2016		As at March 31, 2015	
	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	3,523,968	35.24	-	-
Fully paid up shares Outstanding as at end of the year	29,704,856	297.05	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, 2016		As at March 31, 2015	
	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	2,884,580	9.71%	2,876,080	10.99%
2) Girish Madhukar Talwalkar & Nanda Girish Talwalkar	2,872,780	9.67%	2,864,280	10.94%
3) Anant Ratnakar Gawande & Yamini Anant Gawande	1,920,200	6.46%	1,920,200	7.33%
4) Vinayak Ratnakar Gawande & Madhuri Vinayak Gawande	1,928,700	6.49%	1,920,200	7.33%
5) Harsha Ramdas Bhatkal & Smeeta Harsha Bhatkal	1,560,200	5.25%	1,560,200	5.96%
6) Smallcap World Fund, Inc	2,389,000	8.04%	1,694,000	6.47%
7) Laxmi Shivanand Mankekar & Kedar Shivanand Mankekar	1,573,520	5.30%	1,573,520	6.01%
Total	15,128,980		14,408,480	

(iv) Aggregate number and class of shares alloted to fully paid up pursuant to contract without payment being received in cash,bonus shares, and shares brought back for the period of five years immediately preceeding the balance sheet date is Nil

(v) Forfeited shares and calls unpaid- Nil

Note 3 : Reserves and Surplus

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Securities Premium Account		
Opening Balance	1,065.59	1,066.27
Add : Premium on shares issued during the year	1,039.57	-
Less : **Premium Utilised :**		
Share Issue Expenses	60.61	0.68
Closing Balance	2,044.55	1,065.59
(b) Debenture Redemption Reserve		
Opening Balance	143.05	95.02
Add: Transferred during the year	59.83	48.03
Closing Balance	202.88	143.05
(c) General Reserve		
Opening Balance	56.82	35.33
Add: Transferred during the year	26.70	21.49
Closing Balance	83.52	56.82

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2016

Particulars	As at March 31, 2016	As at March 31, 2015
(d) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	1,115.88	852.10
Add: Profit for the year	533.92	429.84
Less Appropriations:		
Proposed Dividend on Equity Shares	49.84	39.27
Tax on Dividend	10.13	7.85
Depreciation adjusted	-	8.02
Arrears of Depreciation	-	41.40
Less Transferred to :		
Debenture Redemption Reserve	59.83	48.03
General Reserve	26.70	21.49
Closing Balance	1,503.30	1,115.88
Total	3,834.25	2,381.34

Note 4 : Long Term Borrowings

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Bonds/Debentures (Refer Note (a) below)	1,000.00	750.00
(b) Term loans		
From banks (Refer Note (b & c) below)	1,739.27	1,601.73
(c) Long term maturities of finance lease (Refer Note (d) below)	1.25	6.05
Total	2,740.52	2,357.78

Notes:

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

i) 250,11.75% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 3rd January, 2018

ii) 250,11.75% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 25th April, 2018

iii) 250,9.80% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 4th March, 2019

iv) 250,9.85% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 6th November, 2019

v) 250,10% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par on 7th December, 2018

All the secured Non-convertible debentures are secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed

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.

c) Terms of repayment of Term loans ₹ in Million

Year	Term Loan 1	Term Loan 2	Corporate Loan	Total
2016-17	89.39	104.90	64.55	258.84
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	21.36	126.55	77.97	225.87

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

Particulars	As at March 31, 2016	As at March 31, 2015
i) **Minimum Lease Payments:**		
- Not later than one year	5.67	5.77
- Later than one year but not later than five years	1.35	7.02
Total	7.02	12.79
ii) **Present Value of Minimum Lease Payments:**		
- Not later than one year	2.94	3.65
- Later than one year but not later than five years	0.64	3.58
	3.58	7.23
Add: Future finance charges	3.44	5.56
Total	7.02	12.79

e) Presentation of Borrowing in the Balance sheet is as follows :. ₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(i) **Long Term Borrowings**	2,740.52	2,357.78
(ii) Current maturities of long term borrowings	496.30	266.12
Total	3,236.82	2,623.90

Note 5 : Deferred Tax Liabilities

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax opening balance	244.83	227.36
Add : Deferred tax liability arising out of excess of depreciation allowed under Income Tax Act over the depreciation accounted	23.42	17.47
Deferred tax closing balance	268.25	244.83

Note 6 : Other Long Term Liabilities

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) **Deposits (Refer Note (a) below)**	2.00	2.00
(b) Payable to subsidiary company	19.14	-
Total	21.14	2.00

Notes: (a) Refundable security deposit from Franchisee of ₹ 2 Million

Talwalkars
Spreading fitness since 1932

Significant accounting policies and notes to the Standalone Financial Statements
for the year ended 31st March, 2016

Note 7 : Other Current Liabilities

₹ in Million

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	Current maturities of long-term debts (Refer Note 4 (c) Long-Term Borrowings)	241.50	187.16
(b)	Current maturities of finance lease obligations (Refer Note (a) below)	4.80	4.08
(c)	Current maturities of Non Convertible Debentures	250.00	-
(d)	Other payables		
	i) Creditors for capital goods	4.73	4.85
	ii) Statutory Dues Payable	90.93	49.49
(e)	Interest accrued but not due on Non Convertible Debentures (Refer Note (b) below)	54.70	36.61
(f)	Current maturities of Acceptances	-	74.88
Total		646.66	357.07

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

(b): The Company has provided interest at 11.75% , 9.8%,10% & 9.85% on Redeemable Secured Non Convertible Debentures. Refer note 4 (a) of Long Term Borrowings

Note 8 : Short Term Provisions

₹ in Million

Particulars		As at 31.03.2016	As at 31.03.2015
a)	Provision for employee benefits (Refer Note (a) below)	0.10	0.10
b)	Provisions		
	i) Proposed Dividend	44.56	39.27
	ii) Tax on Dividend	9.07	7.85
	iii) Income Tax (Net of Advance tax)	65.88	68.96
	iv) Provision for CSR activities	9.93	5.04
Total		129.54	121.22

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.

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	0.39	N A	NIL	0.39
Less:				
Paid / Adjusting during the year	NIL	NA	NIL	NIL
Add:				
Provision made during the year	0.10	NA	NIL	0.10
Closing Balance	0.49	N A	NIL	0.49

During the Previous 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	N.A	NIL	NIL
Add:				
Provision made during the year	0.10	N.A	NIL	0.10
Closing Balance	0.39	N A	NIL	0.39

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:

i) 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 31.03.2016.

ii) The retirement age is taken as 60 years.

iii) Progression of future salary is taken into account while calculating the liability.

iv) Valuation Method: Projected unit credit method.

v) Basis of Valuation:

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

Note 9 : Fixed Assets

₹ in Million

Description	Gross Block				Accumulated Depreciation / Amortization				Net Block	
	As at April 1,15	Additions	Deductions	As at March 1, 16	As at April 1,15	For the Year	On Deductions	As at March 31,16	As at March 31, 16	As at March 31, 15
1) Tangible Assets										
i) Buildings	524.85	-	-	524.85	28.63	7.70	-	36.33	488.52	496.22
ii) Gym Equipments	1,084.93	202.85	1.54	1,286.24	257.76	71.48	0.55	328.69	957.55	827.17
iii) Furniture & Fittings	2,210.97	426.06	0.35	2,636.68	451.19	211.72	0.14	662.77	1,973.91	1,759.78
iv) Computers	269.59	24.01	-	293.60	39.05	44.31	-	83.36	210.24	230.54
v) Air-Conditioners	253.94	22.64	0.20	276.38	43.60	15.77	0.08	59.29	217.09	210.34
vi) Electrical Fittings	329.72	87.96	0.68	417.00	86.23	33.58	0.29	119.51	297.49	243.49
vii) Office Equipments	213.33	17.29	-	230.62	45.33	44.31	-	89.64	140.98	168.00
viii) Vehicles										
Owned	0.94	-	-	0.94	0.16	0.02	-	0.18	0.76	0.78
Taken under finance lease	15.95	-	-	15.95	7.05	3.95	-	11.00	4.95	8.90
Total	**4,904.22**	**780.81**	**2.77**	**5,682.26**	**959.00**	**432.84**	**1.06**	**1,390.77**	**4,291.49**	**3,945.22**
Previous Year	4,312.77	928.86	337.42	4,904.22	613.42	362.35	16.78	959.00	3,945.22	3,699.35
2) Intangible Assets										
i) Goodwill	56.60	21.67	-	78.27	21.60	2.81	-	24.41	53.86	35.00
Total	**56.60**	**21.67**	**-**	**78.27**	**21.60**	**2.81**	**-**	**24.41**	**53.86**	**35.00**
Previous Year	56.60	-	-	56.60	17.16	4.44	-	21.60	35.00	39.44
3) Capital Work-in-Progress	569.24	23.44	-	592.68	-	-	-	-	592.68	569.24
4) Intangible Asset under development	3.32	-	-	3.32	-	-	-	-	3.32	3.32
Total									4,941.35	4,552.78

Significant accounting policies and notes to the Standalone Financial Statements
for the year ended 31st March, 2016

Note 10 : Non Current Investments

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Non Trade Investments		
(Valued at cost unless stated otherwise)		
Investment in Equity Instruments		
Unquoted		
i) Investment :		
a) Splendor Fitness Pvt. Ltd.	50.00	50.00
(formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.)		
[1,40,000 (Previous year 1,40,000) Equity Shares of		
₹100/- each fully paid]		
ii) Investment in Subsidiaries :		
a) Denovo Enterprises Pvt. Ltd.	5.01	5.01
[50,100 (Previous year 50,100) Equity Shares of		
₹ 100/- each fully paid]		
b) Aspire Fitness Pvt. Ltd.	5.00	5.00
[50,001 (Previous year 50,001) Equity Shares of		
₹ 100/- each fully paid]		
c) Jyotsna Fitness Pvt. Ltd	0.10	0.10
[1,001 (Previous year 1,001)Equity Shares of ₹100/-each fully paid]		
d) Talwalkars Club Pvt. Ltd	0.10	0.10
[10,000 (Previous year 10,000)Equity Shares of ₹10/-each fully paid		
e) Inshape Health & Fitnez Pvt. Ltd.	5.58	-
[4,08,000 Equity Shares of ₹13.67/-each fully paid]		
f) Talwalkars Club Systems Pvt. Ltd	0.10	-
[10,000 Equity Shares of ₹10/-each fully paid]		
iii) Investment in Associate :		
a) Power World Gyms Ltd	48.68	-
[4,21,08,459 Equity Shares of ₹ 1.16/- (LKR ₹ 2.47/-)-each fully paid]		
Share Application Money in Subsidiaries (pending allotment)		
Denovo Enterprises Pvt. Ltd.	-	7.50
Jyotsna Fitness Pvt. Ltd.	-	4.60
Total	114.57	72.31

Note 11 : Long Term Loans and Advances

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital Advances:		
Unsecured, considered good	170.00	54.61
(b) Security Deposits:		
Unsecured, considered good	242.67	202.65
(c) Loans & Advance to Subsidiary Companies	703.36	70.69
(d) Minimum Alternate Tax credit entitlement	5.86	5.86
Total	1,121.89	333.81

Note 12 : Other Non-Current Assets

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Fixed deposit with Original maturity of more than 12 months(Given a security towards the bank guarantees obtained from Union Bank of India)	0.21	0.09
Total	0.21	0.09

Note 13 : Current Investment

₹ in Million

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of units	₹ in Million	No. of units	₹ in Million
Quoted Investment				
(Valued at lower of cost and fair value unless stated otherwise)				
Investment in Mutual Funds				
Axis Liquid Fund	177	0.22	177	0.22
(Market value as on 31.03.2016 is ₹ 0.29 million)				
Total	177	0.22	177	0.22

Note 14 : Inventories

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Stock in trade (Acquired for trading)	0.39	0.42
(Valued at lower of cost and net realizable value)		
Total	0.39	0.42

Note 15: Trade Receivables

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
a) Trade receivable outstanding for a period exceeding 6 months from the date they were due for payment	14.31	12.24
(b) Others	269.34	281.86
Total	283.65	294.10

Note 16 : Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
a) Cash on Hand	51.07	43.73
b) Balances with banks		
(i) In current accounts	628.44	63.02
(ii) Deposit accounts (Refer Note below)	520.75	336.35
Total	1,200.26	443.10

Note: Details of Deposit Accounts

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
a) Fixed Deposits with Original maturity for more than 12 months	180.00	250.00
b) Fixed Deposits with original maturity for more than 3 but less than 12 months	321.03	48.79

Note 17 : Short Term Loans and Advances

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Loans and Advances to related parties	114.67	57.74
(b) Others		
i) Advances recoverable in Cash or Kind for value to be received	226.01	54.16
ii) Prepaid expenses	17.09	48.52
iii) Input credit receivable	11.58	3.30
iv) Input VAT	-	0.02
Total	369.35	163.74

Significant accounting policies and notes to the Standalone Financial Statements
for the year ended 31st March, 2016

Note 18 : Revenue from Operations

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(a) Gross fees including service tax	2,459.26	2,133.95
(b) Franchisee fees including service tax	63.44	33.89
(c) Management and consultancy fees including service tax	1.65	1.43
(d) Commission	1.12	-
(e) Input credit service tax	80.42	71.43
(f) Sales (retail)	0.02	0.15
Total	2,605.91	2,240.85

Note 19 : Other Income

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(a) Dividend income	2.27	0.30
(b) Interest on term deposits	58.86	5.49
(c) Sundry credit balances no longer payable	0.27	0.77
(d) Other non operating income	5.74	1.30
(e) Gain/(Loss) on foreign currency transactions and translation	0.06	(0.05)
Total	67.20	7.81

Note 20: Changes in Inventories

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(a) Inventories at the beginning of the year		
Traded goods	0.42	0.63
(b) Inventories at the end of the year		
Traded goods	0.39	0.42
(Increase)/ Decrease	0.03	0.21

Note 21 : Employee Benefit Expenses

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(a) Salaries, wages and bonus	10.32	15.58
(b) Contract fees for labour/security/housekeeping	305.22	276.71
(c) Directors' remuneration	21.00	14.70
(d) Contribution towards provident and other funds	0.10	0.10
Total	336.64	307.09

Note 22 : Finance Costs

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(a) Interest expenses		
i) Secured loans	139.49	94.12
ii) Unsecured loan	9.62	5.83
(b) Other borrowing costs		
i) Bank charges	2.04	2.05
ii) Credit card charges	4.70	7.14
Total	155.85	109.14

Note 23 : Other Expenses

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(a) Administrative & Other Expenses		
Payment to auditors	3.49	2.54
Internal audit fees	3.13	3.50
Electricity and fuel expenses	71.88	68.67
Insurance charges	2.45	1.42
Printing and stationery	3.33	3.17
Professional fees	10.64	10.00
Rates and taxes	8.79	6.36
Interest on late payment of statutory dues	5.52	15.72
Rent	384.99	356.84
Repairs and maintenance		
- Building, Gym Equipment and Machinery	12.76	10.96
- Others	11.78	10.12
Telephone expenses	9.32	8.29
Travelling and conveyance expenses	2.97	2.85
Water charges	6.73	6.43
Other Expenses	9.79	9.11
Asset management fees	26.38	24.19
Directors' sitting fees	0.47	0.49
Expenses related to CSR activities	10.06	7.55
Total	584.48	548.21
(b) Selling & Marketing Expenses		
Advertising expenses	17.43	17.05
Business promotion expenses	3.40	2.57
Total	20.83	19.62
Total (a+b)	605.31	567.83

Significant accounting policies and notes to the Standalone Financial Statements
for the year ended 31st March, 2016

Note 24 : Exceptional Items

₹ in Million

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Profit/(Loss) on sale of assets	(0.28)	-
Total	(0.28)	-

Other Notes to the Financial Statements:

Note 25: Contingent Liabilities:

Contingent liabilities not provided for in respect of:

₹ in Million

Particulars	As at 31.03.2016	As at 31.03.2015
Bank Guarantee given by the Company to Bank's for the outstanding due of loans availed by some of the subsidiary companies	267.57	258.03
Claim from a landlord, case pending before the Judiciary - Hyderabad	29.49	29.49
Cases pending before consumer courts	0.20	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 case 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.

Note 26: Disclosure Pursuant to Accounting Standard (AS) 13:

The details of investments in subsidiaries and associates are as follows:

Name of the Company	% ownership interest as at 31st March 2016
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
Talwalkars Club System Private Limited	100.00
Inshape Health & Fitnez Private Limited	51.00
Power World Gym Limited	49.50

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

Note 27: Earnings Per Share:

Particulars	2015-16	2014-15
Net profit after tax attributable to Equity shareholders (₹ in million)	533.92	429.84
Weighted average number of equity shares	2,89,05,705	2,61,80,888
Face value of shares [₹]	10.00	10.00
Earnings per share – Basic [₹]	18.47	16.42
Earnings per share – Diluted [₹]	18.47	16.42

Note 28: 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 29: Related Party Disclosures:

- Disclosure as required by the Accounting Standard-18, "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)
  - Mr. Madhukar Talwalkar (Whole-time Director)
  - Mr. Prashant Talwalkar (Managing Director & Chief Executive Officer)
  - Mr. Vinayak Gawande (Whole-time Director)

  Subsidiaries

  - Aspire Fitness Private Limited
  - Denovo Enterprises Private Limited
  - Jyotsna Fitness Private Limited
  - Talwalkars Club Private Limited
  - Talwalkars Club Systems Private Limited
  - Inshape Health & Fitnez Private Limited

  Step-down Subsidiary

  - Equinox Wellness Private Limited

  Associate Company

  - Power World Gyms Limited

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

  - Better Value Leasing & Finance Ltd
  - Better Value Properties Private Limited
  - Empower Systech Private Limited
  - Gawande Consultants Private Limited
  - Life Fitness India Private Limited
  - Pinnacle Fitness Private Limited
  - Popular Prakashan Private Limited
  - R2 Infrastructure Private Limited
  - R2 Spa Systems
  - Talwalkars
  - Talwalkars Spa System
  - Talwalkars Fitness Club
  - Talwalkars Health & Leisure
  - Talwalkars Health Club
  - Talwalkars Health Commune
  - Talwalkars Health Complex
  - Talwalkars Nutrition Centre
  - A.N.Rajendran

Talwalkars
Spreading fitness since 1932

Significant accounting policies and notes to the Standalone Financial Statements

for the year ended 31st March, 2016

a) Transactions with Related Parties :

₹ in Million

Nature of transactions	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
Investments	5.68	48.68	-	-	54.36
Incomes	36.54	-	-	-	36.54
Expenses	-	-	2.62	21.96	24.58
Interest on Unsecured Loan	0.87	-	-	62.90	63.77
Directors' Remuneration	-	-	21.00	-	21.00
Asset purchase	-	-	-	0.57	0.57
Advance recoverable (Net)	707.26	-	-	1.09	708.35

Balance as on 31st March, 2016

₹ in Million

Particulars	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
Investments incl. Share Application Money	15.89	48.68	-	50.00	114.57
Sundry Debtors	53.75	-	-	0.28	54.03
Deposits	-	-	1.31	6.41	7.71
Loans and Advances	49.84	-	-	4.59	54.43
Sundry Creditors	-	-	-	0.05	0.05

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

Key management personnel and their Relatives :

₹ in Million

Name of the party	Nature of transaction	As at March 31, 2016	As at March 31, 2015
Mr. Madhukar Talwalkar	Director's Remuneration	4.20	4.20
Mr. Prashant Talwalkar	Director's Remuneration	4.20	4.20
	Rent for Premises	2.62	2.56
	Deposit outstanding as on	1.31	1.31
Mr. Girish Talwalkar	Director's Remuneration	-	3.15
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, 2016	As at March 31, 2015
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	1.36	3.81
	Franchise fee receivable as on	10.88	9.52
	Advance recoverable (Net)	37.53	0.85
	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

₹ in Million

Name of the party	Nature of transaction	As at March 31, 2016	As at March 31, 2015
Aspire Fitness Pvt. Ltd.	Advance recoverable (Net)	0.23	0.79
	Loan outstanding as on	3.08	3.08
	Interest income on Unsecured Loan	0.20	-
	Investment in Equity Shares as on	5.00	5.00
Equinox Wellness Pvt. Ltd.	Franchise fee Income	-	0.72
	Advance recoverable (Net)	-	0.22
	Franchise fees receivable as on	2.64	2.64
Jyotsna Fitness Pvt. Ltd	Franchisee fees receivable	40.23	5.11
	Share application money as on	-	4.60
	Advance recoverable (Net)	17.70	0.40
	Franchise fee Income	35.18	2.62
	Interest income on unsecured loan	0.67	0.66
	Loan outstanding as on	3.87	3.87
	Investment in Equity Shares as on	0.10	0.10
Talwalkars Club Pvt. Ltd	Advance recoverable (Net)	132.64	70.69
	Investment in Equity Shares as on	0.10	0.10
Talwalkars Club Systems Pvt. Ltd	Advance recoverable (Net)	500.03	-
	Investment in Equity Shares	0.10	-
	Investment in Equity Shares as on	0.10	-
Inshape Health & Fitnez Pvt. Ltd	Advance recoverable (Net)	19.14	-
	Investment in Equity Shares	5.58	-
	Investment in Equity Shares as on	5.58	-

Associate Companies/Firm Others:

₹ in Million

Name of the Party	Nature of transaction	As at March 31, 2016	As at March 31, 2015
Better Value Leasing & Finance Ltd.	Office expenses/Rent	4.68	9.69
	Interest on Unsecured Loans	62.90	23.19
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	7.93	7.45
Life Fitness India Pvt. Ltd.	Loan outstanding as on	0.48	0.48
	Deposit outstanding as on	1.80	1.80
	Rent for premises	4.07	4.04
Pinnacle Fitness Pvt. Ltd.	Advances recoverable (Net)	-	0.01
	Franchise fee receivable as on	0.28	0.28
	Loan outstanding as on	0.41	0.41

Significant accounting policies and notes to the Standalone Financial Statements
for the year ended 31st March, 2016

₹ in Million

Name of the Party	Nature of transaction	As at March 31, 2016	As at March 31, 2015
Talwalkars Fitness Club	Deposit Outstanding as on	0.90	0.90
	Rent for Premises	3.42	3.37
	Loan outstanding as on	0.51	0.51
Talwalkars Health & Leisure	Advances recoverable (Net)	0.43	0.32
	Loan outstanding as on	1.42	1.42
Talwalkars Health Club	Advances recoverable (Net)	0.22	0.21
	Loan outstanding as on	0.55	0.55
Talwalkars Health Complex	Advances recoverable (Net)	0.22	0.06
	Loan outstanding as on	0.78	0.78
Talwalkars	Loan outstanding as on	0.09	0.09
Talwalkars Nutrition Centre	Loans & Advances given/ (repaid) Net	0.22	-
	Loan outstanding as on	0.33	0.11
Empower Systech Pvt. Ltd	Professional Fees	-	0.54
	Expenses Payable as on	0.02	0.03
R2Spa Systems	Asset Purchase	0.57	1.16
	Service Charges	1.27	0.70
	Creditors payable as on	0.05	0.42
Power World Gyms Limited	Investment in Equity Shares	48.68	-
	Investment in Equity Shares as on	48.68	-
A.N. Rajendran	Professional fees	0.60	-

b) Corporate Guarantees given by the Company (#): ₹ in Million

Name of the company	Relation	As at March 31, 2016	As at March 31, 2015
Denovo Enterprises Private Limited	Subsidiary	3.18	8.68
Aspire Fitness Private Limited	Subsidiary	17.71	23.33
Talwalkars Club Private Limited	Subsidiary	225.89	226.02
Inshape Health & Fitnez Private Limited	Subsidiary	20.79	-

Corporate Guarantees which are outstanding at the end of the respective financial year.

Note 30: Payment to Auditors' (inclusive of service tax):

₹ in Million

Particulars	2015-16	2014-15
Statutory Audit Fees	2.56	2.02
Tax Audit Fees	0.23	0.22
Other Services	0.66	0.08
Out of Pocket expenses	0.61	0.22

Note 31: Estimated amounts of contracts remaining to be executed on capital accounts and not provided for were ₹ 7.64 million during current year. (Previous year ₹ 6.23 million)

Note 32: Value of Imports on CIF Basis:

₹ in Million

Particulars	2015-16	2014-15
Gymnasium Equipments	0.55	-

Note 33: Earnings in Foreign Currency:	0.01	-
Note 34: Expenditure in Foreign Currency:		
Travelling Expenses	1.61	1.44
Consultancy fees	3.82	3.64

Note 35: 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.

Note 36: 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 37: 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. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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
Harsha Bhatkal	Whole time Director
Manohar Bhide	Independent Director
Raman Maroo	Independent Director
Dinesh Afzulpurkar	Independent Director
Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	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 and Associate (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 ("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 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 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, 2016, 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 three subsidiaries whose financial statements / financial information reflect total assets of ₹728.75 Million as at 31st March, 2016, total revenues of ₹185.56 Million and net cash flows amounting to ₹56.72 Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹0.03 Million for the year ended 31st March, 2016 as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. 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 this subsidiary 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.

(b) We have relied on the unaudited financial statements of four subsidiaries whose consolidated financial statements reflect total assets of ₹904.99 Million as at 31st March, 2016, total revenue of ₹72.91 Million, net cash flows amounting to ₹127.53 Million for the year then ended. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely on such approved unaudited financial statements / consolidated 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

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.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) 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. However, the accounting impact of the Holding Company's policy on Impairment of Assets needs to be reviewed.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(h) 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 26 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 and associate company incorporated in India.

For M. K. Dandeker & Co.,
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

Date: May 05, 2016
Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Talwalkars Better Value Fitness Limited ("the Holding Company") and its subsidiary companies incorporated in India as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M. K. Dandeker & Co.,
(ICAI Reg. No. 000679S)

S. Poosaidurai
Partner
Chartered Accountants
Membership No. 223754

Date: May 05, 2016
Place: Mumbai

Talwalkars
Spreading fitness since 1932

CONSOLIDATED BALANCE SHEET as at 31st March, 2016

₹ In Million

Particulars			Note to Accounts No.	As at March 31, 2016	As at March 31, 2015
I.	EQUITY & LIABILITIES				
1)	Shareholders' Funds				
	(a)	Share Capital	2	297.05	261.81
	(b)	Reserves and Surplus	3	3,972.96	2,506.63
2)	Minority Interest			139.00	135.55
3)	Non Current Liabilities				
	(a)	Long Term Borrowings	4	3,073.03	2,778.56
	(b)	Deferred Tax Liabilities (Net)	5	274.92	253.48
	(c)	Other Long Term Liabilities	6	2.00	11.44
4)	Current Liabilities				
	(a)	Short Term Borrowings	7	11.87	6.95
	(b)	Trade Payables			
		i) Total Outstanding dues of Micro & Small Enterprises		-	-
		ii) Total Outstanding dues of Creditors other than Micro & Small Enterprises		100.40	146.23
	(c)	Other Current Liabilities	8	771.17	403.33
	(d)	Short Term Provisions	9	165.49	159.88
TOTAL				8,807.88	6,663.86
II.	ASSETS				
1)	Non- Current Assets				
	(a)	Fixed Assets	10		
		(i) Tangible Assets		4,782.73	4,395.26
		(ii) Intangible Assets		32.19	35.01
		(iii) Capital Work In Progress		827.25	779.20
		(iv) Intangible Assets under Development		3.32	3.32
	(b)	Non current Investments	11	98.58	50.50
	(c)	Long Term Loans and Advances	12	828.94	299.61
	(d)	Other Non-Current Assets	13	1.55	1.50
2)	Current Assets				
	(a)	Current Investments	14	0.22	0.22
	(b)	Inventories	15	0.39	0.42
	(c)	Trade Receivables	16	316.80	340.98
	(d)	Cash and Cash Equivalents	17	1,407.60	465.57
	(e)	Short Term Loans and Advances	18	508.32	292.27
TOTAL				8,807.88	6,663.86
Summary of significant accounting policies			1		
See accompanying notes forming part of the Consolidated Financial Statements					

As per our report of even date attached
For M.K. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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
Harsha Bhatkal	Whole time Director
Manohar Bhide	Independent Director
Raman Maroo	Independent Director
Dinesh Afzulpurkar	Independent Director
Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the period ended 31st March, 2016

₹ in Million

Particulars	Note to Accounts No.	For the period ended March 31, 2016	For the period ended March 31, 2015
1) REVENUE			
(a) Revenue from Operations	19	2,862.27	2,525.60
Less: Service Tax		348.56	269.05
		2,513.71	2,256.55
(b) Other Income	20	67.64	8.51
Total Revenue		2,581.35	2,265.06
2) EXPENSES			
(a) Changes in Inventories	21	0.03	0.21
(b) Employee Benefit Expenses	22	393.56	369.20
(c) Finance Costs	23	177.44	127.79
(d) Depreciation and Amortization Expenses		470.04	397.29
(e) Other Expenses	24	684.76	641.82
Total Expenses		1,725.83	1,536.32
3) Profit before exceptional and extraordinary items and tax (1-2)		855.52	728.75
4) Exceptional Items	25	(0.28)	-
5) Profit before extraordinary items and tax (3+4)		855.24	728.75
6) Extraordinary Items		-	-
7) Profit before tax for the year (5 + 6)		855.24	728.75
8) Tax expense:			
(a) Current tax expenses for current year		275.71	208.76
(b) Tax expenses relating to prior years		2.59	(0.49)
(c) MAT Credit Reversal / (Entitlement)		-	20.17
(d) Deferred tax		23.29	16.53
9) Profit for the year from continuing operations (7 - 8)		553.65	483.78
10) Profit/(Loss) from discontinuing operations		-	-
11) Profit for the year (9 + 10)		553.65	483.78
12) Share of Minority Interest		3.45	23.03
13) Profit after Minority Interest		550.20	460.75
14) Earning per Equity Share (of ₹ 10 each) :			
(1) Basic	28	19.03	17.60
(2) Diluted	28	19.03	17.60
Summary of significant accounting policies	1		
See accompanying notes forming part of the Consolidated Financial Statements			

As per our report of even date attached
For M.K. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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
Harsha Bhatkal	Whole time Director
Manohar Bhide	Independent Director
Raman Maroo	Independent Director
Dinesh Afzulpurkar	Independent Director
Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2016

₹ in Million

	Particulars	For year ended 31.03.2016	For year ended 31.03.2015
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net profit before Extraordinary Items & Tax	855.24	728.75
	Adjustment for :		
	Depreciation & Amortisation	470.11	397.36
	Finance cost (Net)	177.64	127.84
	Income from Investment activity	(61.41)	(0.63)
	(Profit)/Loss on sale of assets	0.28	-
		586.62	524.57
	Operating Profit before Working capital changes	1,441.86	1,253.32
	Adjustment for Working Capital Changes :		
	(Increase)/Decrease in Current Assets	(895.05)	(337.67)
	(Increase)/Decrease in Non-Current Assets	(15.54)	(0.36)
	(Increase)/Decrease in Trade and other receivables	6.50	(26.79)
	Increase/(Decrease) in Trade and other payables	50.37	27.35
	Increase/(Decrease) in Current liabilities	111.00	(2.76)
		(742.72)	(340.23)
	Cash generated from operations	699.14	913.09
	Net Income Tax (Paid) / Refund	(281.48)	(223.63)
	Share of Minority Interest	(97.36)	(51.34)
	Net cash from operating activities	320.30	638.12
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Long Term Investments	(42.26)	(0.10)
	Capital Expenditure on Fixed Assets including Capital Advances	(1,177.16)	(1,368.37)
	Proceeds from sale of fixed assets	1.43	306.83
	Income from Investment activity	61.41	0.63
	Purchase of short Term Investments	(1,237.27)	(216.30)
	Proceeds from sale of Short Term Investments	1,237.27	253.59
	Share of Minority Interest	27.92	42.20
	Net cash (used in)/from investing activities	(1,128.66)	(981.52)

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2016

₹ in Million

	Particulars	For year ended 31.03.2016	For year ended 31.03.2015
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Issue of Shares	1,074.91	0.10
	Issue proceeds from Non Convertible Debentures	500.00	500.00
	Redemption of Non Convertible Debentures	-	(300.00)
	Share/ Debenture issue expenses	(60.61)	(0.68)
	Proceeds from Borrowings	1,115.38	3,161.32
	Repayment of Long term and other borrowings	(610.99)	(2,325.69)
	Finance cost paid	(284.80)	(249.31)
	Dividend paid	(44.56)	(39.27)
	Dividend tax paid	(8.91)	(6.67)
	Share of Minority Interest	43.32	8.58
	Net cash (used in)/from Financing Activities	1,723.74	748.38
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	915.38	404.97
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	456.11	51.14
	Cash and Cash equivalents of New Subsidiary	0.32	-
	Cash & Bank Balances including Fixed Deposits	1408.86	466.71
	Share of Minority Interest	(37.05)	(10.60)
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,371.81	456.11

As per our report of even date attached
For M.K. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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
Harsha Bhatkal	Whole time Director
Manohar Bhide	Independent Director
Raman Maroo	Independent Director
Dinesh Afzulpurkar	Independent Director
Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2016

Note 1: Significant Accounting Policies:

1) Basis of Accounting:

a) Basis of preparation of Consolidated Financial Statements:

- The individual Balance Sheet as at 31st March, 2016 and Statement of Profit and Loss for the year ended 31st March, 2016 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 Million 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.

c) Principles of Consolidation:

- The Consolidated Financial Statements relate to the Company, its **five** partially owned subsidiaries, **two** wholly owned subsidiaries and **one** foreign associate. 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 **five** partially owned subsidiaries, **two** wholly owned subsidiaries and **one** foreign associate 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. Investment in Associate company has been accounted under Equity method as per Accounting standard (AS) 23 - "Accounting for Investments in Associates" in Consolidated Financial Statements"

iii. 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/Associate considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% ownership interest as at March 31, 2016
Denovo Enterprises Private Limited	India	50.10
Equinox Wellness Private Limited	India	33.33*
Aspire Fitness Private Limited	India	50.00
Jyotsna Fitness Private Limited	India	50.10
Inshape Health & Fitnez Private Limited	India	51.00
Talwalkars Club Private Limited	India	100.00
Talwalkars Club System Private Limited	India	100.00
Power World Gyms Limited	Sri Lanka	49.50

*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.
- 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 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.

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2016

8) Borrowing Cost:

- Borrowing Costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period 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 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.

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) 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.

Note 2 : Share Capital

	As at March 31, 2016		As at March 31, 2015	
	No.	₹ in Million	No.	₹ in Million
SHARE CAPITAL				
AUTHORISED:				
Equity Shares of ₹ 10/- each with voting rights	32,000,000	320.00	30,000,000	300.00
	32,000,000	320.00	30,000,000	300.00
ISSUED, SUBSCRIBED & PAID-UP:				
Equity Shares of ₹ 10/- each with voting rights	29,704,856	297.05	26,180,888	261.81
	29,704,856	297.05	26,180,888	261.81

i) Terms/ Rights attached to Equity Shares

(a) The Company has only one class of share capital namely Equity Shares having a face value of ₹ 10 per share.

(b) 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.

(c) 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.

(d) 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 and Amount of Shares and amount outstanding at the beginning and at the end of the reporting period.

Details	As at March 31, 2016		As at March 31, 2015	
	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	3,523,968	35.24	-	-
Fully paid up shares Outstanding as at end of the year	29,704,856	297.05	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, 2016		As at March 31, 2015	
	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	2,884,580	9.71%	2,876,080	10.99%
2) Girish Madhukar Talwalkar & Nanda Girish Talwalkar	2,872,780	9.67%	2,864,280	10.94%
3) Anant Ratnakar Gawande & Yamini Anant Gawande	1,920,200	6.46%	1,920,200	7.33%
4) Vinayak Ratnakar Gawande & Madhuri Vinayak Gawande	1,928,700	6.49%	1,920,200	7.33%
5) Harsha Ramdas Bhatkal & Smeeta Harsha Bhatkal	1,560,200	5.25%	1,560,200	5.96%
6) Smallcap World Fund, Inc	2,389,000	8.04%	1,694,000	6.47%
7) Laxmi Shivanand Mankekar & Kedar Shivanand Mankekar	1,573,520	5.30%	1,573,520	6.01%
Total	15,128,980		14,408,480	

iv) Aggregate number and class of shares allotted to fully paid up pursuant to contract without payment being received in cash, bonus shares and shares brought back for the period of five years immediately preceeding the balance sheet date is Nil.

v) Forfeited shares and calls unpaid - Nil.

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2016

Note 3 : Reserves and Surplus

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Securities Premium Account		
Opening Balance	1,065.59	1,066.27
Add : Premium on shares issued during the year	1,039.57	-
Less : Premium Utilised :		
Share Issue Expenses	60.61	0.68
Closing Balance	2,044.55	1,065.59
(b) Capital Reserve on Consolidation		
Opening Balance	1.93	1.93
Add: Transferred during the year	(0.60)	-
Closing Balance	1.33	1.93
(c) Debenture Redemption Reserve		
Opening Balance	143.05	95.02
Add: Transferred during the year	59.83	48.03
Closing Balance	202.88	143.05
(d) General Reserve		
Opening Balance	58.02	36.53
Add: Transferred during the year	26.70	21.49
Closing Balance	84.73	58.02
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,238.04	943.36
Add: Profit / (Loss) for the year	550.20	460.75
Less: Appropriations:		
Proposed Dividend on equity Shares	49.84	39.27
Tax on Dividend	10.13	7.85
Depreciation adjusted	-	8.03
Arrears of Depreciation	-	41.40
Less: Transfer to		
Debenture Redemption Reserve	59.83	48.03
General Reserve	26.70	21.49
Less: Consequent to changes in Group Interest	2.26	-
Closing Balance	1,639.48	1,238.04
Total (a+b+c+d+e)	3,972.96	2,506.63

Significant accounting policies and notes to the Consolidated Financial Statements
for the year ended 31st March, 2016

Note 4 : Long Term Borrowings

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Bonds/Debentures (refer Note (a) below)	1,000.00	750.00
(b) Term loans from banks	2,045.67	1,902.02
(c) Loans from related parties	26.10	49.48
(d) Long term maturities of finance lease obligations	1.25	6.06
(e) Loans from others	-	71.00
Total	3,073.03	2,778.56

Notes:

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

i) 250,11.75% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 3rd January, 2018

ii) 250,11.75% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 25th April, 2018

iii) 250,9.80% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 4th March, 2019

iv) 250,9.85% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par in 3 equal annual installments commencing from 6th November, 2019

v) 250,10% debentures of face value ₹ 1 million each aggregating ₹ 250 millions are redeemable at par on 7th December, 2018

All the secured Non-convertible debentures are secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed

Note 5 : Deferred Tax Liabilities

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax opening balance	253.48	236.95
Less : Deferred tax asset of new subsidiary	1.85	-
Add : Deferred tax liability arising out of excess of depreciation allowed under Income Tax Act over the depreciation accounted	23.28	16.53
Total	274.92	253.48

Note 6 : Other Long Term Liabilities

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Acceptances	-	9.44
(b) Deposits	2.00	2.00
Total	2.00	11.44

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2016

Note 7 : Short Term Borrowing

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Secured :		
(a) Overdraft facility from bank	5.72	5.43
Unsecured :		
(a) Short-term loans	0.09	-
(b) Loans and Advances from Related parties	6.06	1.52
Total	11.87	6.95

Note 8 : Other Current Liabilities

₹ in Million

	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt	279.86	225.53
(b) Current maturities of finance lease obligations	4.80	4.58
(c) Current maturities of Non Convertible Debentures	250.00	-
(d) Current maturities of acceptances	-	74.88
(e) Sundry creditors for capital goods	4.73	4.85
(f) Statutory Dues Payable	102.18	56.67
(g) Others	74.90	0.21
(h) Interest Accrued but not due on Non convertible debenture	54.70	36.61
Total	771.17	403.33

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

Note (b): The Company has provided interest at 11.75% , 9.8%,10% & 9.85% on 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, 2016	As at March 31, 2015
(a) Provision for employee benefits	0.57	0.10
(b) Provision - Others		
i) Provision for Dividend	44.56	39.27
ii) Provision for Tax on Dividend	9.07	7.85
ii) Provision for Income Tax (Net of Advance Tax)	101.33	107.62
iv) Provision for CSR activities	9.93	5.04
v) Other Provisions	0.03	-
Total	165.49	159.88

Note 10 : Fixed Assets

₹ in Million

Description	Gross Block					Accumulated Depreciation					Net Block	
	As at 1-Apr-15	Addition of New Subsidiary	Additions	Deductions	As at 31-Mar-16	As at 1-Apr-15	Addition of New Subsidiary	For the Year	On Deductions	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Tangible Assets												
Land	140.41	-	40.78	-	181.19	-	-	-	-	-	181.19	140.41
Building	524.85	-	-	-	524.85	28.63	-	7.70	-	36.33	488.52	496.22
Asset under Lease	20.47	-	-	-	20.47	5.52	-	0.69	-	6.21	14.26	14.95
Gym Equipment	1,265.49	17.40	210.23	1.69	1,491.43	289.50	11.28	84.18	0.55	384.41	1,107.02	975.99
Furniture & Fixtures	2,335.82	17.00	439.40	0.35	2,791.87	485.80	11.95	225.08	0.14	722.69	2,069.18	1,850.02
Computers	276.79	2.35	24.19	-	303.33	44.48	1.96	45.89	-	92.33	211.00	232.31
Air-Conditioners	297.07	1.96	23.19	0.20	322.03	50.08	1.27	18.60	0.08	69.87	252.15	246.99
Electrical fittings	347.41	2.52	87.97	0.68	437.22	89.59	1.76	35.65	0.29	126.71	310.51	257.82
Office Equipments	216.61	0.71	17.38	-	234.70	46.48	0.63	45.24	-	92.35	142.35	170.03
Vehicle	1.98	1.29	-	-	3.27	0.45	0.97	0.25	-	1.67	1.60	1.53
Vehicle under lease	15.95	-	-	-	15.95	7.05	-	3.95	-	11.00	4.95	8.90
Total	5,442.85	43.23	843.14	2.92	6,326.30	1,047.58	29.82	467.23	1.06	1,543.57	4,782.73	4,395.27
Previous Year	4,683.93	-	1,097.17	338.25	5,442.85	671.49	-	392.85	16.76	1,047.58	4,395.27	4,012.44
Intangible Assets												
Goodwill	56.60	-	-	-	56.60	21.60	-	2.81	-	24.41	32.19	35.00
Licenses and franchise	0.30	-	-	-	0.30	0.30	-	-	-	0.30	-	-
Total	56.90	-	-	-	56.90	21.90	-	2.81	-	24.71	32.19	35.00
Previous Year	56.90	-	-	-	56.90	17.45	-	4.44	-	21.90	35.00	39.45
Capital Work in Process											827.25	779.20
Intangible Asset under development											3.32	3.32
Gross Total											5,645.49	5,212.79

Note 11 : Non Current Investments

₹ in Million

Particulars		As at March 31, 2016	As at March 31, 2015
Non Trade Investments			
(Valued at cost unless stated otherwise)			
Investment in Equity Instruments			
Unquoted Investment			
i)	Investment:		
	Splendor Fitness Private Limited	50.00	50.00
	(formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.)		
	[1,40,000 (Previous year 1,40,000) Equity Shares of ₹ 100/- each fully paid]		
ii)	Investment in Subsidiary & Associate	48.08	-
iii)	Investment in Shares with Apna Bank	0.50	0.50
	[5,000 Equity Shares (Previous year 5,000) of ₹ 100 each fully paid]		
Total		98.58	50.50

Talwalkars
Spreading fitness since 1932

Significant accounting policies and notes to the Consolidated Financial Statements
for the year ended 31st March, 2016

Note 12 : Long Term Loans and Advances

₹ in Million

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	Capital Advances		
	Unsecured, considered good	170.00	54.61
(b)	Security Deposits		
	Unsecured, considered good	265.54	222.88
(c)	Loans & Advances to Related Parties		
	Unsecured, considered good	15.95	15.55
(d)	Other Loans & Advances		
	i) Advances recoverable in cash or kind for value to be received	370.00	-
	ii) Income Tax paid (net of provisions)	0.88	-
	iii) Minimum Alternate Tax credit entitlement	6.57	6.57
Total		828.94	299.61

Note 13 : Other Non Current Assets

₹ in Million

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	**Unamortised preliminary expenses**	**0.29**	**0.36**
(b)	Fixed deposit with Original maturity of more than 12 months (Given as security towards the bank guarantees)	**1.26**	1.14
Total		1.55	1.50

Note 14 : Current Investment

₹ in Million

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of units	₹ in Million	No. of units	₹ in Million
I) Quoted Investment				
(Valued at lower of cost and fair value unless stated otherwise)				
Investment in Mutual Funds				
Axis Liquid Fund	177	0.22	177	0.22
(Market value as on 31.03.2016 is ₹ 0.29 million)				
Total	177	0.22	177	0.22

Note 15 : Inventories

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Traded goods (Acquired for trading)	0.39	0.42
(Valued at lower of cost and net realizable value)		
Total	0.39	0.42

Note 16 : Trade Receivables

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
a) Trade receivable outstanding for a period exceeding 6 months from the date they were due for payment	31.67	12.24
b) Others	285.13	328.74
Total	316.80	340.98

Note 17 : Cash and Cash Equivalents

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
a) Cash on Hand	55.59	48.71
b) Balance with banks		
i) In Current Account	763.38	64.64
ii) Other Bank deposits	520.75	338.37
iii) Bank Guarantees	2.93	2.63
c) Cheques, Drafts on hand	64.95	11.22
Total	1,407.60	465.57

Note 18 : Short Term loans and advances

₹ in Million

Particulars	As at March 31, 2016	As at March 31, 2015
a) Loans and advances to related parties	76.32	5.24
b) Other loans and advances	172.00	172.00
c) Others		
i) Advances recoverable in cash or kind for value to be received	227.17	56.08
ii) Prepaid expenses	17.65	48.82
iii) Input Credit Receivable	13.68	9.81
iv) Others	1.50	0.30
v) Input VAT	-	0.02
Total	508.32	292.27

Significant accounting policies and notes to the Consolidated Financial Statements
for the year ended 31st March, 2016

Note 19 : Income from Operations

₹ in Million

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
(a)	Gross fees including Service Tax	2,719.96	2,418.06
(b)	Franchisee Fees including Service Tax	27.07	26.32
(c)	Management & Consultancy Fees including Services Tax	24.55	1.43
(d)	Commission	1.12	-
(e)	Sales (Retail)	0.02	0.16
(f)	Input Credit Service Tax	89.55	79.63
Total		2,862.27	2,525.60

Note 20 : Other Income

₹ in Million

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
(a)	Sundry Credit balances no longer payable	0.43	0.76
(b)	Dividend Income	2.33	0.38
(c)	Other Non-operating Income	5.74	1.68
(d)	Interest on Term Deposits	59.08	5.74
(e)	Gain/(Loss) on foreign currency transactions and translation	0.06	(0.05)
Total		67.64	8.51

Note 21 : Changes in Inventories

₹ in Million

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Inventories at the beginning of the year		
Traded goods	0.42	0.63
Inventories at the end of the year		
Traded goods	0.39	0.42
(Increase)/ Decrease	0.03	0.21

Note 22 : Employee Benefit Expenses

₹ in Million

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
(a)	Salaries, wages and bonus	55.27	69.17
(b)	Contract fees for Labour/Security/housekeeping	313.83	284.37
(c)	Directors' remuneration	22.43	14.70
(d)	Staff welfare & other amenities	1.44	0.86
(e)	Contribution towards provident & other funds	0.59	0.10
Total		393.56	369.20

Note 23 : Finance Cost

₹ in Million

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
A)	**Interest Expenses**		
	Interest on Secured Loan	154.63	108.19
	Interest on Unsecured Loan	14.05	8.22
B)	**Other Borrowing Costs**		
	Processing Fees	-	0.49
	Bank Charges	2.86	2.38
	Hire Charges on Loan Taken	-	0.31
	Credit Card Charges	5.90	8.20
Total		177.44	127.79

Note 24 : Other Expenses

₹ in Million

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
(a)	**Administrative & Other Expenses**		
	Payment to auditors	3.72	3.03
	Internal audit fees	3.13	3.50
	Electricity & fuel expenses	89.81	85.14
	Insurance charges	2.63	1.57
	Printing & stationery	4.67	4.22
	Professional fees	17.22	13.75
	Rates & taxes	8.79	6.44
	Interest on late payment of Statutory dues	5.98	15.75
	Rent	421.16	392.84
	Repairs & Maintenance		
	- Building, Gym Equipment & Machinery	15.75	13.74
	- Others	13.90	12.03
	Telephone expenses	10.54	9.82
	Traveling & conveyance expenses	4.23	4.33
	Water charges	6.76	6.53
	Other expenses	12.67	11.55
	Asset management fees	26.38	24.19
	Directors' Sitting fees	0.47	0.49
	Expenses related to CSR activities	10.06	7.55
	Total	657.87	616.48
(b)	**Selling & Marketing Expenses**		
	Advertising expenses	23.04	21.82
	Business Promotion expenses	3.85	3.52
	Total	26.89	25.34
	Total (a+b)	684.76	641.82

Significant accounting policies and notes to the Consolidated Financial Statements

for the year ended 31st March, 2016

Note 25 : Exceptional Items

₹ in Million

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Profit/(Loss) on Sale of Asset	(0.28)	-
Total	(0.28)	-

Additional Information to Financial Statements

Note: 26 Contingent Liabilities:

Contingent liabilities not provided for in respect of:

₹ in Million

Particulars	As at 31st March, 2016	As at 31st March, 2015
Claim from a landlord, case pending before the Judiciary - Hyderabad	29.49	29.49
Cases pending before consumer courts	0.20	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 case 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.

Note: 27 Related Party Disclosures:

Disclosure as required by the Accounting Standard-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)
- Aspire Fitness Private Limited
  - Mr. Virendra Sherlekar (Director)
- Jyotsna Fitness Private Limited
  - Mr. Vishwas Shinde (Director)
  - Mrs. Jyotsna Shinde (Director)
- Inshape Health & Fitnez Private Limited
  - Andali Nambiappan Rajendran (Director)
  - Jawahar Deepa (Director)
- Power World Gyms Limited
  - Talavou F. Alailima (Director)

Significant accounting policies and notes to the Consolidated Financial Statements
for the year ended 31st March, 2016

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

- Better Value Leasing & Finance Ltd
- Better Value Properties Private Limited
- Empower Systech Pvt. Ltd.
- Gawande Consultants Private Limited
- Life Fitness India Private Limited
- Pinnacle Fitness Private Limited
- Popular Prakashan Private Limited
- R2 Infrastructure Private Limited
- R2 Spa Systems
- Talwalkars
- Talwalkars Spa System
- Talwalkars Fitness Club
- Talwalkars Health & Leisure
- Talwalkars Health Club
- Talwalkars Health Commune
- Talwalkars Health Complex
- Talwalkars Nutrition Centre

Note: 28 Earning Per Shares:

₹ in Million

Particulars	2015-16	2014-15
Net profit after tax attributable to equity shareholders [₹ in Million]	550.20	460.75
Weighted average number of equity shares	2,89,05,705	2,61,80,888
Nominal value of shares [₹]	10.00	10.00
Earnings per share – Basic [₹]	19.03	17.60
Earnings per share – Diluted [₹]	19.03	17.60

Note: 29

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.

Note: 30

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. Dandeker & Co.,
Chartered Accountants
ICAI FRN: 000679S

S.Poosaidurai
Partner
Membership No. 223754

Place : Mumbai
Date: 5th May, 2016

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
Harsha Bhatkal	Whole time Director
Manohar Bhide	Independent Director
Raman Maroo	Independent Director
Dinesh Afzulpurkar	Independent Director
Abhijeet Patil	Independent Director
Mrunalini Deshmukh	Independent Director
Avanti Sankav	Company Secretary & Compliance Officer

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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 on 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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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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NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of Talwalkars Better Value Fitness Limited will be held on Thursday, the 8th September, 2016 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 for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon; and

    (b) the audited consolidated financial statement for the financial year ended 31st March, 2016, together with the Report of the Auditors thereon.

2. To declare dividend on Equity Shares for the year ended 31st March, 2016;

3. To appoint a Director in place of Mr. Girish Talwalkar (DIN: 00341675), who retires by rotation and being eligible, offers himself for re-appointment;

4. To appoint a Director in place of Mr. Anant Gawande (DIN: 00324734), who retires by rotation and being eligible, offers himself for re-appointment;

5. To appoint M/s. M. K. Dandeker & Co., Chartered Accountants, Mumbai (Firm Registration Number: 000679S) 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s. M. K. Dandeker & Co., Chartered Accountants, Mumbai (Firm Registration Number: 000679S) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, for a term of five consecutive years until the conclusion of the 18th Annual General Meeting of the Company in the calendar year 2021, subject to ratification by the shareholders annually, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

6. 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 the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or enactment/re-enactment thereof) 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 ₹ 125 Crores, on private placement basis for the period from 1st October, 2016 to 30th September, 2017 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: 5th May, 2016
Place: Mumbai

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

NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto. Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for directors seeking re-appointment at Annual General Meeting (AGM) is furnished as annexure.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE THIRTEENTH 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 3rd September, 2016 to 8th September, 2016 (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, 2016 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 2nd September, 2016. 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. 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.

13. 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.

14. E-Voting:

    (i) In compliance with the provisions of Section 108 of the Act and the Rules framed there-under, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL"), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM. 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 Board of Directors of the Company has appointed Ms. Prabha Sharma, Practicing Company Secretary and failing her, Mr. Bharat Upadhyay, Practicing Company Secretary, as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.

    (iv) 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. 2nd September, 2016. 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. 2nd September, 2016 only shall be entitled to avail the facility of remote e-voting.

    (v) The remote e-voting period begins on 4th September, 2016 at 9.00 a.m. and ends on 7th September, 2016 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.

    (vi) 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.

    (vii) 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.

    (viii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 8th September, 2016.

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,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

   Then enter the Image Verification Code as displayed and Click on Login.
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 password then Enter the User ID and the image verification code and click on Forgot Password and 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.

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STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 6

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 basis, the Company shall obtain previous approval of its shareholders 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 inter alia the ongoing capital expenditure and for general corporate purpose, the Company may offer or invite subscription for non-convertible debentures upto ₹ 125 Crores, in one or more series/tranches on private placement basis to be made during the period from 1st October, 2016 to 30th September, 2017.

The Board recommends the resolution for approval of the shareholders by the way of Special Resolution.

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 except to the extent of their shareholding interest.

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

Avanti Sankav
Company Secretary & Compliance Officer

Date: 5th May, 2016
Place: Mumbai

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

Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the Directors seeking re-appointment at the ensuing Annual General Meeting:

Name of the Director	Mr. Girish Talwalkar	Mr. Anant Gawande
Date of Birth	01.06.1961	28.08.1967
Date of Appointment	25.04.2003	25.04.2003
Qualification	Masters Degree in Physiotherapy	Fellow member of Institute of Chartered Accountants of India
Expertise in specific functional area	Strategic planning, project management, execution, corporate tie ups and other promotional activities	Finance Industry
Listed Companies (other than Talwalkars) in which he holds directorship and committee membership	Nil	Nil
Disclosure of relationship between directors inter-se	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. Anant Gawande, Whole-time Director & Chief Financial Officer and Mr. Vinayak Gawande, Whole-time Director of the Company being brothers, are related to each other.
Nos. of Shares held in the Company	2,872,780	1,920,200

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 13th Annual General Meeting of the Company on Thursday, the 8th September, 2016 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) Member's / Proxy's Signature

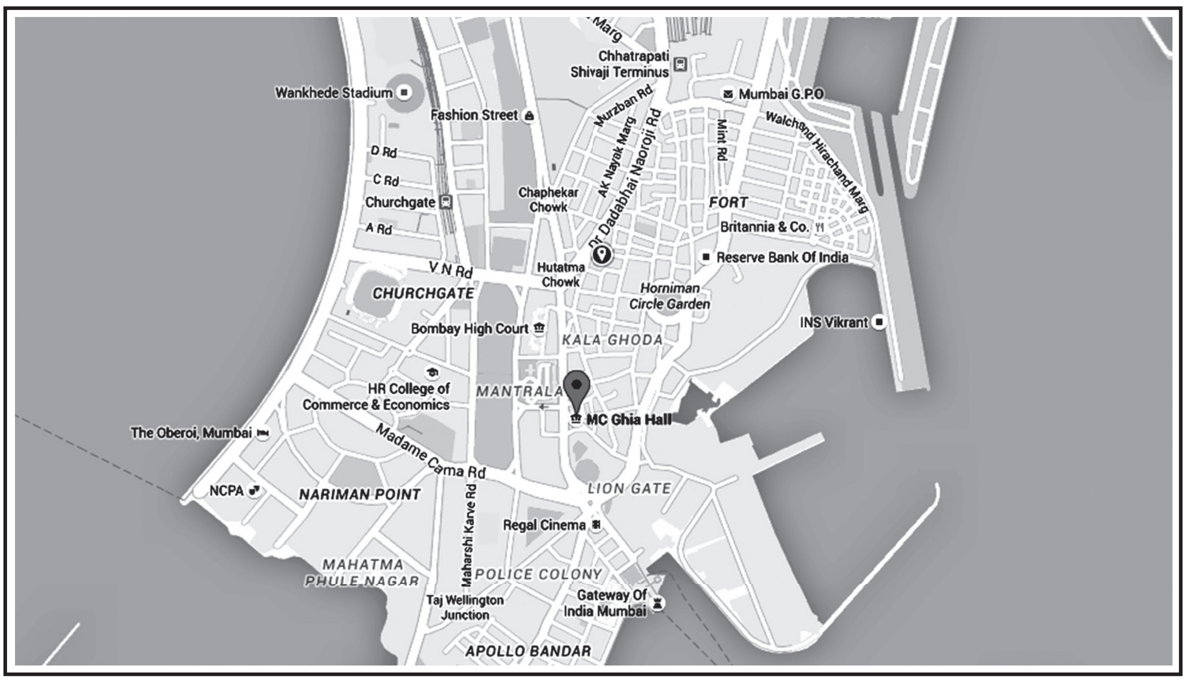
(To be filled in if the proxy attends instead of the Member)

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.

Route Map to AGM Venue

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.



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

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:

1. ____________________ residing at ____

   having email id ________________________________ or failing him/her

2. ____________________ residing at ____

   having email id ________________________________ or failing him/her

3. ____________________ residing at ____

   having email id ____

as my/our proxy to vote for me/us on my/our behalf at the 13th Annual General Meeting of the Company to be held on Thursday, the 8th September, 2016 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 for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.
2	Declaration of dividend on Equity Shares for the year ended 31st March, 2016.
3	Re-appointment of Mr. Girish Talwalkar, who retires by rotation and being eligible offers himself for re-appointment.
4	Re-appointment of Mr. Anant Gawande, who retires by rotation and being eligible offers himself for re-appointment.
5	Appointment of M. K. Dandeker & Company, Chartered Accountants, Mumbai as auditors.
6	Approval for the offer or invitation to subscribe to Non-Convertible Debentures on private placement basis.

Revenue Stamp of ₹1/-

____
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.