Annexure IV

Talwalkars Better Value Fitness Ltd.
Regd. Off.: 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026.
Tel.: 6612 6300. Fax: 6612 6363. Website: www.talwalkars.net CIN: L92411MH2003PLC140134

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Date: 24th November, 2016

To,	To,
Listing Department	Listing Department
BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza,
Dalal Street, Fort,	Bandra Kurla Complex,
Mumbai 400 001	Bandra (E) , Mumbai – 400 051
BSE Code: 533200	NSE Scrip Code: TALWALKARS

Report on recommendations of the Audit Committee on the Draft Scheme of Arrangement between Talwalkars Better Value Fitness Limited (the 'Demerged Company') and Talwalkars Lifestyles Limited (the 'Resulting Company') and their respective shareholders.

The Company has placed before the Audit Committee, the Draft Scheme of Arrangement between Talwalkars Better Value Fitness Limited ('TBVFL' or the 'Demerged Company') and Talwalkars Lifestyles Limited ('TLL' or the 'Resulting Company') and their respective shareholders for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 ('Circular').

In view to comply with the said Circular, members of the Audit Committee at its meeting held on 24th November, 2016, discussed and recommended the Draft Scheme after considering the following documents:

a. Draft Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders;
b. Report on Share Entitlement Ratio from SSPA & Co., Independent Chartered Accountants;
c. Fairness Opinion issued by Inga Capital Pvt. Ltd., on the valuation carried out by M/s SSPA & Co., Chartered Accountants; and
d. Draft certificate obtained from the Statutory Auditors of the Company viz. M/s M. K. Dandeker & Co (Chartered Accountants) on the accounting treatment prescribed in the Scheme.

TALWALKARS BETTER VALUE FITNESS LTD. MUMBAI

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Below are the Recommendations of the Audit Committee on the Draft Scheme of Arrangement:

1.	Date	24th November, 2016
2.	Name of the Demerged Company	Talwalkars Better Value Fitness Limited
3.	Name of the Resulting Company	Talwalkars Lifestyles Limited
4.	Salient Features of the Scheme	TLL ('Resulting Company') is a 100% subsidiary of TBVFL ('Demerged Company'). The Scheme provides for the demerger of the Gym Business of TBVFL to TLL. The appointed date for the Scheme shall be 1st day of April, 2016. In consideration of the transfer of and vesting of the assets and said liabilities of the Gym Business of TVBFL to TLL in terms of this Scheme, TLL shall without any further application or deed, issue and allot: 1 (One) fully paid-up equity share of Rs.10/- (Rupees Ten only) for every 1 (One) fully paid-up equity share of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in TVBFL.
5.	Name of the Independent Chartered Accountant	SSPA & Co. (Chartered Accountants)
6.	Details of Audit Committee	The composition of the Audit Committee, is as follows: i. Mr. Abhijeet Patil – Chairman (Independent Director) ii. Mr. Avinash Phadke – Member (Independent Director) iii. Mr. Anant Gawande – Member (Whole-time Director) Secretary of the Company acts as Secretary to the Committee.

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7.	Recommendation on the Draft Scheme of Arrangement and Exchange Ratio taking into consideration the Valuation Report	Based on review of the draft Scheme of Arrangement between TBVFL and TLL and their respective shareholders, Share Entitlement Report dated 24th November, 2016 issued by SSPA & Co., Independent Chartered Accountant and the Fairness Opinion issued by Inga Capital Pvt. Ltd., on the share entitlement ratio, the Audit Committee believes that the Scheme of Arrangement and Share Entitlement Ratio of 1 (One) fully paid up equity share of Rs.10/- (Rupees Ten only) each of TLL for every 1 (One) fully paid-up equity shares of Rs.10/- (Rupees Ten Only) each, held by the shareholders in TBVFL is fair and reasonable.
8.	Summary of reasons for recommendations	TLL is a 100% subsidiary of TVBFL. Equity shares of TLL would be issued to the equity shareholders of TBVFL as consideration for the demerger of Gym Business of TVBFL to TLL. The existing share capital of TLL is proposed to be cancelled as part of the proposed demerger. The Share Entitlement Ratio has been arrived on the basis of desired capital structure of TLL and avoiding fractional entitlement in the hands of the shareholders. In the above circumstances, the Share Entitlement Ratio as mentioned in Draft Scheme of Arrangement is fair and reasonable.

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission or any information or otherwise.

Chairman

TALWALKARS BETTER VALUE FITNESS LTD. MUMBAI

Date: 24th November, 2016
Place: Mumbai