

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



Date: 27th March, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block, BKC,
Bandra (East), Mumbai - 400051.

Dear Sir,

Re: Talwalkars Better Value Fitness Ltd.; Scrip Symbol: TALWALKARS; Scrip Code: 533200
Sub: Submission of Postal Ballot Form and Notice.

We enclose herewith Postal Ballot Notice and Form along with Statement under Section 102 of the Companies Act, 2013.

Kindly take the same on your record and acknowledge receipt of the same.

Thanking You.

Yours faithfully,
For Talwalkars Better Value Fitness Ltd.

Avanti Sankav
Company Secretary & Compliance Officer



Encl: a/a

TALWALKARS BETTER VALUE FITNESS LIMITED

CIN: L92411MH2003PLC140134
 Registered Office: 801-813, Mahalaxmi Chambers,
 22, Bhulabhai Desai Road, Mumbai- 400026.
 Tel No.: 66126300 Fax No.: 66126363
 Website: www.talwalkars.net Email: info@talwalkars.net



NOTICE OF COURT CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF TALWALKARS BETTER VALUE FITNESS LIMITED

MEETING:

Day	Thursday
Date	27 th April, 2017
Time	11:30 a.m.
Venue	M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4 th Floor, Kala Ghoda, 18/20, K, Dubash Marg, Mumbai – 400 001

POSTAL BALLOT AND E-VOTING:

Start Date	28 th March, 2017
Last Date	26 th April, 2017

Sr. No.	Contents	Page No.
1	Notice Convening Meeting of the Equity Shareholders of Talwalkars Better Value Fitness Limited ('the Company').	2
2	Notice of Postal Ballot and E-Voting.	3-7
3	Explanatory Statement under Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013.	8-19
4	Annexure A Scheme of Arrangement and Demerger ('Scheme') read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable).	20-28
5	Annexure B – I Valuation Report issued by SSPA & Co, Chartered Accountants dated 24 th November, 2016. Annexure B – II Fairness Opinion on the Scheme obtained from Inga Capital Private Limited dated 24 th November, 2016.	29-38
6	Annexure C – I and C – II Observation Letter dated 8 th February 2017 and 8 th February 2017 from BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') respectively conveying no objection for filing the Scheme with the Mumbai Bench of National Company Law Tribunal.	39-42
7	Annexure D – I and D – II Complaints Reports submitted by the Company to BSE & NSE dated 7 th January, 2017 and also uploaded on the Company Website.	43-46
8	Annexure E Pre and Post Scheme (expected) Shareholding Pattern of the Company.	47-58
9	Annexure F Copy of the report, adopted by the Directors on the effect of proposed Scheme.	59
10	Annexure G – I Supplementary unaudited Accounting Statement of Talwalkars Better Value Fitness Limited ('Demerged Company') for the period ended on 30 th September, 2016.	60-69
11	Annexure G – II Supplementary audited Accounting Statement of Talwalkars Lifestyles Limited ('Resulting Company') for the period ended on 30 th September, 2016.	70-81
12	Annexure H Copy of the notice of the scheme filed with the Registrar of Companies	82-85
13	Form of Proxy	89
14	Attendance Slip	91
15	Postal Ballot Form with instructions and Business Reply Envelope (in loose leaf form)	Enclosed

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH

in the matter of Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and including any statutory modifications(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between TALWALKARS BETTER VALUE FITNESS LIMITED ("Demerged Company");

AND

TALWALKARS LIFESTYLES LIMITED ("Resulting Company");

AND

THEIR RESPECTIVE SHAREHOLDERS

TALWALKARS BETTER VALUE FITNESS LIMITED

(CIN: L92411MH2003PLC140134)

A listed Company incorporated under the provisions of the Companies Act, 1956

having its Registered Office at 801-813, Mahalaxmi Chambers,

22, Bhulabhai Desai Road, Mumbai- 400026.

}

}

}

} Applicant Company

FORM NO. CAA 2
[Pursuant to Section 230 (3) and Rules 6 and 7]
Company Application / Petition No. 242 of 2017
Talwalkars Better Value Fitness Limited ... Applicant Company

NOTICE OF THE MEETING OF MEMBERS

Notice is hereby given that by an order dated the 9th day of March, 2017, the Mumbai Bench of the National Company Law Tribunal has directed a meeting to be held of Equity Shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Arrangement proposed to be made between Talwalkars Better Value Fitness Limited ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders for transacting the following business:

To consider and if thought fit, approve with or without modification(s) the following Resolution under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Companies Act, 1956 as may be applicable:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of the Companies Act, 1956 as may be applicable and the National Company Law Tribunal Rules, 2016 and in accordance with relevant clauses of the Memorandum of Association and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") and subject to such other approvals, permissions and sanctions of regulatory and other sectoral authorities, if any, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other sectoral authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company, the proposed Scheme of Arrangement ("Scheme") between Talwalkars Better Value Fitness Limited, ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders ("Scheme"), placed before this meeting and initiated by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deem to include any committee or any person(s) which the Board may nominate or constitute or delegate) to exercise its powers, including the powers conferred under above resolution, be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties that may arise with regard to the implementation of the above resolution, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution or to carry out such modifications / directions as may be ordered by the NCLT to implement the aforesaid resolution."

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of Members of the said Company will be held 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 on Thursday, the 27th day of April, 2017 at 11:30 a.m. at which time and place the said Members are requested to attend.

Copies of the said Scheme of Arrangement and the statement under Section 230 are annexed to this Notice and can be obtained free of charge from the Registered Office of the Company or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai 400071. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed or authorized by the said person, are deposited at the Registered Office of the Company at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai- 400026 not later than 48 hours before the meeting.

Form of proxy is also annexed to this Notice and can be obtained from the Registered Office of the Company or from the office of its Advocates as mentioned above.

The Tribunal has appointed Mr. Girish Talwalkar, Chairman of the Applicant Company and failing him, Mr. Madhukar Talwalkar, Director of the Applicant Company and failing him, Mr. Vinayak Gawande, also Director of the Applicant Company as Chairman of the said meeting. The above mentioned Scheme of Arrangement, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the Scheme of Arrangement, the Explanatory Statement under Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 of the Companies Act, 2013, Valuation Report of SSPA & Co; Independent Chartered Accountants, Fairness Opinion on the said valuation by Inga Capital Pvt. Ltd., a Merchant Banker, Observation letters issued by BSE Limited & National Stock Exchange of India Limited, Complaints Report, Form of Proxy, Attendance Slip, Postal Ballot Form and business reply envelope are enclosed.

This notice convening Meeting of the Equity Shareholders of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. www.talwalkars.net, CDSL viz. www.evotingindia.com and being sent to Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited for placing on their website.

Sd/-
Girish Talwalkar
Chairman

Dated this 14th day of March, 2017
Place: Mumbai

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY / PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**
2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Applicant Company carrying voting rights. Further, a member holding more than 10% of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. All alterations made in the Form of Proxy should be initiated.
4. The Notice is being sent to all the Equity Shareholders, whose names appear in the records of the Company as on 10th March, 2017. This notice of Court Convening Meeting of the Equity Shareholders (Court Convened Meeting) of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. www.talwalkars.net and CDSL viz. www.evotingindia.com
5. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of Members as on 10th March, 2017, i.e. the cut-off date for determining shareholders eligible for voting for Court Convened Meeting.
6. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Court Convened Meeting.
7. The votes cast by the Shareholders by way of Postal Ballot or E-voting or Poll will be taken into consideration for declaration of the results of Court Convened Meeting.
8. The authorized representative of a body corporate or Foreign Institutional Investor ("FI"), which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Court Convened Meeting, provided a certified true copy of the Resolution of the Board of Directors or other governing body of such body corporate/ FI authorizing such a representative to attend and vote at the Court Convened Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting.
9. Registered Equity Shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification of the attendance at the meeting.
10. Registered Equity Shareholders are informed that in case of joint holders attending the meeting, joint holder whose name stands first in the Register of Members and in his/her absence by the next named member of the Applicant Company in respect of such joint holding will be entitled to vote.
11. A registered equity shareholder or his proxy is requested to bring a copy of the notice to the meeting, and produce it at the entrance of the meeting venue, along with the attendance slip duly completed and signed.

The queries, if any, related to the scheme should be sent to the Applicant Company in the name of 'The Company Secretary' at its Registered Office in such a way that the Applicant Company will receive the same at least seven days before the meeting.
12. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company addressed to the Company Secretary.
13. The Applicant Company has appointed Mr. Bharat Upadhyay, Practicing Company Secretary (Membership No. FCS 5436 CP No.: 4457) as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz. www.talwalkars.net and on the website of CDSL viz. www.evotingindia.com within 48 hours of the Court Convened Meeting by the Chairman and shall be communicated to BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai where the shares of the Applicant Company are listed.
14. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection, from 11.00 a.m. to 1.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting by the Equity Shareholders at the Registered Office of the Applicant Company.
15. The Notice convening the aforesaid meeting will be published through advertisement in "Free Press Journal", an English newspaper and "Navshakti", a vernacular newspaper, in the State where the Registered Office of the Applicant Company is situated.
16. A Shareholder can opt for only one mode of voting i.e. either through e-voting or Postal Ballot or by Poll. The members, who have cast their vote by remote e-voting or through Postal ballot prior to the Court Convened Meeting, can attend the Court Convened Meeting but shall not be entitled to cast their vote again at the Court Convened Meeting. In case, they vote at the Court Convened Meeting, their votes cast at the Meeting, would be considered invalid.

Notes and Instructions for voting through Postal Ballot and E-Voting:

A. NOTES FOR POSTAL BALLOT:

1. A copy of the said Scheme of Arrangement and Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated November 30, 2015, is being sent to you for your consideration.
2. The Postal Ballot Form together with self-addressed postage pre-paid Business Reply Envelope is enclosed for use of the member(s).
3. The accompanying Postal Ballot Notice is being sent to all the members whose names appear in the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited and Central Depository Services (India) Limited as on the close of business hours on 10th March, 2017. Accordingly, the Members whose names appear in the Register of Members / List of Beneficial Owners as on 10th March, 2017 ("cut-off date") will be reckoned for the purpose of voting.
4. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of Members as on 10th March, 2017 i.e. the cut-off date for dispatch of Postal Ballot Notice.
5. In case of shares held by Companies, institutional members (FPIs / Foreign Institutional Investors / Trust / Mutual Funds / Banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified true copy of the Board Resolution/ Other Authority Letter together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
6. As per the directions of the Mumbai Bench of the National Company Law Tribunal read with Rule 6 of the Companies (Compromises, Arrangements and) Rules, 2016, Notice of Postal Ballot may be served on the members through electronic transmission. Members who have registered their E-mail IDs with Depositories / RTA/ Company for this purpose are being served with Postal Ballot Notice documents by E-mail and members who have not registered their E-mail IDs will receive Postal Ballot Notice along with Postal Ballot Form through Registered / Speed Post / Courier / other means. Members who have received Postal Ballot Notice by E-mail and who wish to vote through physical Postal Ballot Form may request the Company / Registrar for a physical copy of Postal Ballot Form.
7. A member cannot exercise his / her vote through proxy on postal ballot.
8. If Postal Ballot Form is sent using the Business Reply Envelope, the postage will be borne by the Company. However, any other envelopes containing Postal Ballots, if sent by Courier or Registered/ Speed post at the expense of the members will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope.
9. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5 p.m. on 26th April, 2017, to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the member.
10. The Postal Ballot Notice will be uploaded on the Company's website viz., www.tatwalkars.net and on the website of CDSL viz. www.evotingindia.com as well as on the website of the Stock Exchange where the Company's shares are listed viz. www.bseindia.com and www.nseindia.com
11. Resolution passed by the members through Postal Ballot shall be deemed to have been passed as if they have been passed at the Meeting of the members.
12. All the relevant documents referred to in the Explanatory Statement are open for inspection at the Registered Office of the Applicant Company between 11.00 a.m. to 1.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting.
13. Member(s) can opt only for one mode of voting. If a member has opted for e-voting, then he/ she should not vote by Postal Ballot and Poll and vice-versa. However, in case members cast their vote via Postal Ballot and e-voting then voting through e-voting shall prevail and voting done by Postal Ballot shall be treated as invalid, notwithstanding whichever is cast first. Facility for voting through ballot papers/ Poll shall also be made available at the Court Convened Meeting and Members attending the meeting who did not cast their vote by E-voting/Postal Ballot shall be able to exercise their right to vote at the meeting.

INSTRUCTIONS FOR POSTAL BALLOT:

1. A shareholder desiring to exercise vote by Postal Ballot may complete Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Bharat Upadhyay, Practicing Company Secretary (Membership No. FCS 5436 C.P. No.4457), in the enclosed self-addressed postage prepaid envelope. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if deposited in person or if sent by Courier or Registered / Speed post at the expense of the Shareholder will also be accepted.
2. The self-addressed postage prepaid envelope bears the name and address of the Scrutinizer appointed by the Board.
3. Postal Ballot Form should be completed and signed by the shareholder (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, this Form should be completed and signed by the first named shareholder and in his / her absence, by the next named shareholder.
4. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (3) in the appropriate column.

5. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed on the Form. Duly completed Postal Ballot Form should reach the Scrutinizer on or before 5 p.m. on 26th April, 2017. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such shareholder has not been received.
6. There will be only one Postal Ballot Form for every Folio/ Client ID irrespective of the number of joint shareholder(s).
7. A shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form i.e. on or before 5 p.m. on 26th April, 2017.
8. Shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the Scrutinizer and any extraneous paper found would be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
10. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
11. A Postal Ballot Form shall be considered invalid if: (a) A form other than one issued by the company has been used; (b) It has not been signed by or on behalf of the member; (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the company/ Depository; (d) It is not possible to determine without any doubt the assent or dissent of the member; (e) Neither assent nor dissent is mentioned; (f) Any competent authority has given directions in writing to the company to freeze the Voting Rights of the member; (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e. 26th April, 2017; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified true copy of the relevant specific authority; (i) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (j) Member has made any amendment to the Resolution or imposed any condition while exercising his vote.

B. NOTES FOR E-VOTING:

1. In compliance with provisions of Sections 108 and 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated November 30, 2015, the company is pleased to offer e-voting facility as an alternative through E-voting services provided by Central Depository Services (India) Limited ("CDSL"), for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form.
2. The e-voting period commences on 28th March, 2017 (9 a.m.) and ends on 26th April, 2017 (5 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which shall be 10th March, 2017 may cast their vote electronically and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only. The E-Voting module shall be disabled by CDSL for voting thereafter.
3. For the purpose of dispatch of this Notice, shareholders of the Company holding shares either in physical form or in dematerialized form as on 10th March, 2017, have been considered.
4. The voting rights of members shall be in proportion to their shares in the paid-up Equity Share Capital of the Applicant Company as on cut-off date. 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper. Any person who acquires shares and becomes the member of the Company after the cut-off date i.e. 10th March, 2017 shall not be eligible to vote either through E-voting or at Court Convened Meeting.
5. In case Members cast their vote via Postal Ballot and E-voting then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid, notwithstanding whichever is cast first.
6. The members who have cast their vote by remote e-voting or through Postal ballot prior to the Court Convened Meeting may also attend the meeting but shall not be entitled to cast their vote again. In case, they vote at the Court Convened Meeting, their votes cast at the Meeting, would be considered invalid.
7. Mr. Bharat Upadhyay, Practicing Company Secretary (Membership No. FCS 5436 CP No.: 4457) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
8. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company.
9. Result along with the Scrutinizer's Report shall be placed on the Company's website viz. www.talwalkars.net and on the CDSL viz. www.evotingindia.com as well as on the website of the Stock Exchange where the Company's shares are listed viz. www.bseindia.com and www.nseindia.com

The instructions for Shareholders voting electronically (E-voting) are as under:

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 same password then Enter the User ID and the Image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Non – Individual Shareholders and Custodians:
 - Non – Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under Help section or write an email to helpdesk.evoting@cdslindia.com.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL AT MUMBAI BENCH
COMPANY APPLICATION / PETITION NO. 242 OF 2017**

In the matter of Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended including any statutory modifications(s) or re-enactment(s) thereof and provisions of the Companies Act, 1956, as may be applicable;

AND

In the matter of Scheme of Arrangement between TALWALKARS BETTER VALUE FITNESS LIMITED ("Demerged Company");

AND

TALWALKARS LIFESTYLES LIMITED ("Resulting Company");

AND

THEIR RESPECTIVE SHAREHOLDERS

TALWALKARS BETTER VALUE FITNESS LIMITED

(CIN L92411MH2003PLC140134)

Allisted Company incorporated under the provisions of the Companies Act, 1956

having its Registered Office at 801-813, Mahalaxmi Chambers,

22, Bhulabhai Desai Road, Mumbai- 400026.

}

}

}

}Applicant Company

EXPLANATORY STATEMENT TO THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF TALWALKARS BETTER VALUE FITNESS LIMITED AND POSTAL BALLOT AND E-VOTING UNDER SECTION 102 AND SECTION 230 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated 9th March, 2017 passed by the Mumbai Bench of the National Company Law Tribunal, in the Company Application referred to hereinabove, meeting of the Equity Shareholders of the Applicant Company, is being convened and held for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement proposed to be made between Talwalkars Better Value Fitness Limited, ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders ("**Scheme**") under Sections 230 to 232 of the Companies Act, 2013 ("**Act**") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued thereunder and provisions of the Companies Act, 1956 as may be applicable.
2. In addition to the Meeting of the Equity Shareholders of the Applicant Company, to seek their approval pursuant to Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and rules issued thereunder, approval of the Equity Shareholders of the Applicant Company is also sought by way of Postal Ballot and e-voting as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular and the Act.
3. A copy of the Scheme setting out in detail, the terms and conditions of the arrangement, *inter alia*, providing for the Scheme of Arrangement proposed to be made between Talwalkars Better Value Fitness Limited, ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders, which has been approved by the Board of Directors of the Applicant Company at its meeting held on 24th November 2016 is attached to this explanatory statement and forms part of this statement as ANNEXURE A.
4. **Background of Talwalkars Better Value Fitness Limited ("Demerged Company" or "Applicant Company") is as under:**
 - i. Talwalkars Better Value Fitness Limited ("Demerged Company" or "Applicant Company") was incorporated on 24th April, 2003 vide Registration Number 140134. The Applicant Company has been allotted a CIN: L92411MH2003PLC140134.
 - ii. The Registered Office of the Applicant Company is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai-400026.
 - iii. The details of the Authorized, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 31st March, 2016, was as under:

Particulars	Rs.
Authorised Share Capital:	
32,000,000 Equity Shares of Rs. 10/- each	320,000,000
Issued, Subscribed and Paid up Share Capital:	
29,704,856 Equity Shares of Rs. 10/- each	297,048,560

The Equity Shares of the Applicant Company are, at present, listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). There has been no change in the capital structure of the Applicant Company subsequent to 31st March, 2016.

- iv. The main object of Applicant Company is set out in the Memorandum of Association of the Applicant Company. The main objects *inter alia* are as under:

"To carry on the business of owning, running, managing and franchising in India or anywhere in the world gymnasia and fitness centers and health clubs for men, women or children which includes body building, keep fit training, body shaping, weight gaining, weight reducing, height increase and /or to render all types of health care and beauty services including diet, nutrition, yoga, massage, steam and sauna bath, Jacuzzi, health spas, figure control, slimming aerobics, dance to fitness, physiotherapy services."

"To buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, health fitness and exercise equipments, gadgets, clothing and fitness accessories including gloves, belts, mats, body building supplements, shoes, bags, clothing items and fitness equipments and products."

- v. The Applicant Company is engaged in the business of owning, managing and franchising gymnasia, fitness centers and health clubs. It also renders different types of healthcare and beauty services including diet, nutrition-based, weight-loss programs like Reduce, Nuforn, yoga, physiotherapy, Zumba, Zorba, and other allied lifestyle and wellness activities etc.

5. Background of Talwalkars Lifestyles Limited ("Resulting Company") is as under:

- i. Talwalkars Lifestyles Limited ("the Resulting Company" or "TLL") is a public limited company incorporated on 23rd April, 2016 under the Companies Act, 2013 having CIN: U93090MH2016PLC280127.
- ii. The Registered Office of the Resulting Company is situated at 801-813, Mahalaxmi Chambers, 22, Bhulebhai Desai Road, Mumbai-400026, India.
- iii. The Resulting Company is engaged in the business of owning, managing and franchising gymnasia, fitness centers and health clubs.
- iv. The Resulting Company is a wholly-owned subsidiary of the Applicant Company.
- v. The Share Capital of the Resulting Company, as on both 30th September, 2016 was as under:

Particulars	Rs.
Authorised Share Capital:	
10,000 Equity Shares of Rs. 10/- each	100,000
Issued, and Subscribed and Paid-up	
10,000 Equity Shares of Rs. 10/- each	100,000

Subsequent to the above date, there has been no change in Authorised, Issued, Subscribed and Paid up share capital of Talwalkars Lifestyles Limited. The entire share capital of Talwalkars Lifestyles Limited is held by the Applicant Company.

- iv. The main object of the Resulting Company is set out in the Memorandum of Association as under:

"To carry on business of owning, running, managing and franchising in India or anywhere in the world gymnasia and fitness centers and health clubs for men, women and children which includes body building, keep fit training, body shaping, weight gaining, weight reducing, height increase and /or to render all types of health care and beauty services including diet, nutrition, yoga, massage, steam and sauna bath, Jacuzzi, health spas, figure control, slimming, aerobics, dance to fitness, physiotherapy services and to buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, health fitness and exercise equipments, gadgets, clothing and fitness accessories including gloves, belts, mats, body building supplements, shoes, bags, clothing items and fitness equipments and products."

6. Rationale and Salient Features of the Scheme

a) Relationship between the Companies:

The Resulting Company is a Wholly Owned subsidiary of the Applicant Company.

This Scheme of Arrangement provides for the transfer of Gym Business from the Demerged Company to the Resulting Company and the consequent discharge of consideration by the Resulting Company to shareholders of the Demerged Company, pursuant to the relevant provisions of the Act.

b) Rationale for Arrangement:

- i. In order to achieve better management and to have clear focus on business operations, the management of Demerged Company has decided to demerge Gym Business, thereby transferring Gym Business of Talwalkars Better Value Fitness Limited to Talwalkars Lifestyles Limited, in the interests of maximizing overall shareholder value.

- ii. Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Gym Business of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme under the provisions of Sections 391 to 394 and the corresponding Sections 230 to 232 of the Companies Act, 2013 and to the extent applicable, provisions of the Companies Act, 2013 & Companies Act, 1956, for such consideration and in such manner as provided for in this Scheme
- iii. Accordingly, this Scheme under Sections 391 to 394 and the corresponding Sections 230 to 232 of the Companies Act, 2013 and to the extent applicable, provisions of the Companies Act, 1956, has been proposed to provide for transfer of Gym Business of the Demerged Company by way of demerger to the Resulting Company.
- iv. Upon the sanction of the Scheme by the National Company Law Tribunal and the Scheme becoming effective on the Effective Date (as defined hereinafter), the Gym Business of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.

In view of the aforesaid, the Board of Directors of the Applicant Company and the Resulting Company have considered and proposed the transfer of Gym Business from the Applicant Company to the Resulting Company in order to benefit the stakeholders of both the companies.

c) Salient features of the Scheme:

- i. Scheme of Arrangement proposed to be made between Talwalkars Better Value Fitness Limited, ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders, is presented under Sections 391 to 394 of the Companies Act, 1956 and the corresponding Sections 230 to 232 of the Companies Act, 2013 and to the extent applicable, provisions of the Companies Act, 2013 & Companies Act, 1956.
- ii. The Applicant Company and Resulting Company shall, as may be required, make applications and/or petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the Mumbai Bench of the National Company Law Tribunal for sanction of the Scheme and all matters ancillary or incidental thereto.
- iii. "Appointed Date" for the Scheme of Arrangement is 1st April, 2016.
- iv. "Effective Date" means the last of the dates on which the certified or authenticated copy of the orders of the High Court or National Company Law Tribunal, as the case may be, sanctioning the Scheme are filed with the Registrar of Companies by the Resulting Company and by the Applicant Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- v. Upon the Scheme becoming effective, the Resulting Company shall, without any further application or deed, issue and allot to every member of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date, in the following ratio (the "Share Exchange Ratio")::

"In respect of every 1 (One) equity shares of Rs. 10/- each fully paid up held by such member in the Demerged Company, 1 (One) equity share in the Resulting Company of Rs 10/- each credited as fully paid up."
- vi. The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum of Association and Articles of Association of the Resulting Company;
- vii. The Equity Shares of the Resulting Company held by the Demerged Company on the Record date shall be deemed to have been cancelled without any further act or deed. Reduction and cancellation of shares in the manner aforesaid shall be treated as integral part of the Scheme and not in accordance with Sections 100-105 of the Act as the same does not involve either diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- viii. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged or Resulting of equity shares in the Demerged Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- ix. Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- x. New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Demerged Company are listed and admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Demerged Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the relevant stock exchanges.

- xi. Upon the New Equity Shares being issued and allotted to the shareholders of Demerged Company, the existing shares held in the Resulting Company by the said members of Resulting Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- xii. In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Demerged Company, provided all details relating to the account with the depository participant are available to Resulting Company. All those equity shareholders who hold equity shares of Demerged Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Resulting Company or committee thereof.
- xiii. Upon the coming into effect of the Scheme, the New Equity Shares of Resulting Company to be issued and allotted to the members of the Demerged Company as provided in the Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and the New Equity Shares shall rank pari passu from the date of allotment in all respects with the existing equity shares of Resulting Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- xiv. Approval of the Scheme by the shareholders of Resulting Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- xv. If any shareholder of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company in accordance with Clause 9.1 of this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Demerged Company, and shall dispose of the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.
- xvi. The Resulting Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.
- xvii. This Scheme is conditional upon and subject to:
- Requisite approvals, clearances or permissions that may be required to be obtained under applicable laws, or where applicable, the waiting periods or time periods for approval of the Reserve Bank of India, rules and regulations having expired or been terminated;
 - The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Demerged Company and Resulting Company as may be directed by the National Company Law Tribunal;
 - The Scheme being sanctioned by the National Company Law Tribunal;
 - The certified copy of the order(s) of the National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company;
 - Approval of the Scheme, by the Stock Exchange, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), 2015;
 - Approval of the Scheme by SEBI in terms of SEBI Circulars;
 - Any other approvals and sanctions from a Governmental Authority as may be required by Law in respect of the Scheme being obtained;
 - This Scheme, although to come into operation with effect from the Appointed Date, shall be effective from the Effective Date.
- xviii. The Scheme provides for:
- The transfer of the entire Gym Business from the Demerged Company to the Resulting Company and vesting of the same in the Resulting Company;
 - Transfer of all assets for operation of the Gym Business or pertaining to the Gym Business shall also stand transferred to and vested in the Resulting Company;

- In respect of such of the assets of the Gym Business as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by the Demerged Company and shall become the property of the Resulting Company as an integral part of the Gym Business transferred to it;
- In respect of such of the assets of the Gym Business other than those referred above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company;
- Powers of attorneys given by, issued to or executed in favour of the Demerged Company, and the rights and benefits under the same shall, insofar as they relate to the Gym Business and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Gym Business, be transferred to and vested in the Resulting Company;
- Various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, income tax holiday / benefit and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, in so far as they relate to the Gym Business, vest with and be available to the Resulting Company;
- Loans and borrowings and such amounts pertaining to the general or multipurpose loans, and liabilities which are a part of the Gym Business shall become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be transferred to and vested in and shall be exercised by or against the Resulting Company;
- Transfer of all legal or other proceedings relating to the Gym Business shall be continued and enforced by or against the Resulting Company to the extent legally permissible;
- All licenses whether Government or otherwise, contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments in relation to the Gym Business to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company;
- The increase in authorized capital of the Resulting Company;
- The Resulting Company shall be re-named as "Talwalkars Better Value Fitness Limited". The name of the Resulting Company wherever it occurs in the respective Memorandum and Articles of Association shall be substituted by the new name i.e. "Talwalkars Better Value Fitness Limited";
- The Demerged Company shall be re-named as "Talwalkars Lifestyles Limited". The name of the Demerged Company wherever it occurs in the respective Memorandum and Articles of Association shall be substituted by the new name i.e. "Talwalkars Lifestyles Limited";
- As envisaged in clause 14 of the Scheme the members of the Resulting Company shall be deemed to have accorded their consent under various provisions of the Act and Rules;
- All costs, charges and expenses incidental to this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme (excluding stamp duty and registration fees) and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Demerged Company;
- All costs in relation to transfer of assets pertaining to Gym Business to Talwalkars Lifestyles Limited such as stamp duty, registration charges, etc. shall be borne and paid by the Resulting Company.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT, THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF ARRANGEMENT TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF

7. Board Meeting, Valuation Report and Fairness Opinion:

- a) The Proposed Scheme was placed before the Board of Directors of the Applicant Company on 24th November 2016, wherein the Report on Recommendation of Share Exchange Ratio of SSPA & Co., Independent Chartered Accountants and Fairness Opinion on the said Share Exchange Ratio issued by Inga Capital Private Limited, a Merchant Banker, were also placed before the Board.
- b) In accordance with the provisions of SEBI Circular, the Audit Committee of the Applicant Company ("Audit Committee") vide a resolution passed on 24th November, 2016 recommended the Scheme to the Board of Directors of the Applicant Company *inter alia* taking into account;
 - i. The Report on Recommendation of Share Exchange Ratio issued by SSPA & Co, an Independent Chartered Accountants, for issue of shares pursuant to the Scheme;
 - ii. The Fairness Opinion issued by Inga Capital Private Limited, a Merchant Banker on the fairness of the Report on Recommendation of Share Exchange Ratio.

The Report dated 24th November, 2016 issued by SSPA & Co, Independent Chartered Accountants and Fairness Opinion dated 24th November, 2016 issued by Inga Capital Private Limited are enclosed as ANNEXURE B-I and ANNEXURE B-II, respectively, to this Notice.

8. Submissions, Approvals and Other Information:

- a) Pursuant to the SEBI Circular read with Regulation 37 of SEBI LODR Regulations, the Applicant Company has filed necessary application before the stock exchanges viz., BSE Limited and National Stock Exchange of India Limited on 24th October, 2016 seeking their no-objection to the Scheme. The Company has received Observation Letter from BSE Limited dated 8th February, 2017 and National Stock Exchange of India Limited dated 8th February, 2017. Copies of the Observation Letters are enclosed as ANNEXURE C-I and ANNEXURE C-II, to this Notice.
- b) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE Limited and National Stock Exchange of India Limited on 13th January, 2017. After filing of the Complaints Report, the Applicant Company has received NIL complaints. Copies of the aforementioned Complaints Reports are enclosed as ANNEXURE D-I and ANNEXURE D-II to this Notice.
- c) The Demerged/Applicant Company and Resulting Company have made separate applications before the Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013 and the corresponding Sections 391 to 394 of the Companies Act, 1956, to the extent applicable.
- d) Pursuant to the requirements of to sub-section 2 of Section 232 of the Companies Act, 2013, where an Order has been made by the Tribunal under Sub-Section (1), a copy of the report adopted by the Directors on the effect of proposed Scheme is enclosed as ANNEXURE F.
- e) Supplementary audited Accounting Statement of the Demerged Company and unaudited Accounting Statement of the Resulting Company for the period ended on 30th September, 2016 are enclosed as ANNEXURE G-I and ANNEXURE G-II respectively.
- f) Copy of the notice of the scheme filed with the Registrar of Companies is enclosed as ANNEXURE - H.

9. Directors, Promoters and Key Managerial Personnel:

- a) The directors of the Demerged/Applicant Company and Resulting Company and relatives of the aforementioned persons may be deemed to be concerned and / or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies.
- b) Key Managerial Personnel (KMPs) other than directors and their relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme.
- c) Save as aforesaid, none of the Directors and KMPs of the Demerged/Applicant Company and Resulting Company and their relatives have any material concern or interest, financial and / or otherwise in the Scheme.
- d) The details of the present Directors and their relatives and Key Managerial Personnel (KMPs) of Demerged/Applicant Company and Resulting Company and their respective shareholdings in Demerged/Applicant Company and Resulting Company are as follows:

Extent of shareholding of Directors and their relatives and KMPs of Talwalkars Better Value Fitness Limited (Demerged/Applicant Company) and their respective holding in the Demerged/Applicant Company and the Resulting Company are as follows: (Considering first holder).

Names of Directors	Address	Designation	Equity Shares in Demerged/ Applicant Company	Equity Shares in Resulting Company
Girish Talwalkar	101, Disha Apts, Gulmohar Cross Road No.7, Opp Costa Coffe, JVPD Scheme, Mumbai - 400049	Executive Chairman	28,75,980	1
Madhukar Talwalkar	C-37/40, Pandurang Society, Near Sun-N-Sand Hotel, Juhu, Mumbai - 400049.	Whole-time Director	1,00,000	1
Prashant Talwalkar	26/27, Sheesh Mahal, Pall Hill, D'Monte Park Road, Bandra, Mumbai - 400050.	Managing Director & CEO	28,87,780	1
Vinayak Gawande	A-231, Twin Towers, Twin Tower Lane, Opp. Siddhivinayak Temple, Prabhadevi, Mumbai - 400025.	Whole-time Director	19,31,900	1
Harsha Bhatkal	N-5, Prathamesh, Off. V.S. Marg, Prabhadevi, Mumbai - 400025.	Whole-time Director	15,60,200	1
Anant Gawande	173/A, Twin Towers, Twin Towers Lane, Off. V.S. Marg, Prabhadevi, Mumbai - 400025.	Whole-time Director	19,20,200	1
Manohar Bhide	A-5, Bageshree, Shankar Ghanekar Marg, Prabhadevi, Mumbai - 400025.	Independent Director	6,296	0

Name of the KMPs	Designation	Equity Shares in Demerged/ Applicant Company	Equity Shares in Resulting Company
Girish Nayak	Chief Financial Officer	1	0
Avanti Sankav	Company Secretary	1	0

The relatives of Directors hold NIL shares in the Applicant/ Demerged Company and the Resulting Company.

Extent of shareholding of the Directors and their relatives, and KMPs of Talwalkars Lifestyles Limited (Resulting Company) and their respective holding in the Demerged / Applicant Company, Resulting Company are as follows: (Considering first holder)

Names of Directors	Address	Designation	Equity Shares in Demerged/ Applicant Company	Equity Shares in Resulting Company
Girish Madhukar Talwalkar	101, Disha Apts, Gulmohar Cross Road No.7, Opp Costa Coffe, JVPD Scheme, Mumbai - 400049	Executive Chairman	28,75,980	1
Prashant Sudhakar Talwalkar	28/27, Sheesh Mahal, Pali Hill, D'Monte Park Road, Bandra, Mumbai - 400050.	Managing Director & CEO	28,87,780	1
Harsha Ramdas Bhatkal	N-5, Prathamesh, Off. V.S. Marg, Prabhadevi, Mumbai - 400025.	Whole-time Director	15,60,200	1

There are no KMPs other than the Directors of the Company.

The KMP and the relatives of Directors hold NIL shares in the Applicant/ Demerged Company and the Resulting Company.

- e) The pre and post Scheme (expected) shareholding pattern of Demerged/Applicant Company as on 31st December, 2016, is enclosed as ANNEXURE E to this Notice.
- f) Capital Structure of Demerged/Applicant Company - Pre and Post Scheme (expected)

Pre and Post Scheme capital structure of Applicant / Demerged Company is as follows:

Description	Pre-Scheme as on 31 st December, 2016		Post- Scheme as on 31 st December, 2016	
	No. of Shares	Amount (In Rs.)	No. of Shares	Amount (In Rs.)
Authorized Share Capital:				
Equity Shares of Rs.10/- each	32,000,000	320,000,000	32,000,000	320,000,000
Issued Share Capital:				
Equity Shares of Rs.10/- each	29,704,856	297,048,560	29,704,856	297,048,560
Subscribed & Paid Up Share Capital:				
Equity Shares of Rs.10/- each	29,704,856	297,048,560	29,704,856	297,048,560

- g) Capital Structure of Resulting Company - Pre and Post Scheme (expected)

i. Pre and Post Scheme capital structure of Resulting Company is as follows:

Description	Pre-Scheme as on 31 st December, 2016		Post- Scheme as on 31 st December, 2016	
	No. of Shares	Amount (In Rs.)	No. of Shares	Amount (In Rs.)
Authorized Share Capital:				
Equity Shares of Rs.10/- each	10,000	100,000	30,000,000	300,000,000
Issued Share Capital:				
Equity Shares of Rs.10/- each	10,000	100,000	29,704,856	297,048,560
Subscribed & Paid Up Share Capital:				
Equity Shares of Rs.10/- each	10,000	100,000	29,704,856	297,048,560

10. Statement disclosing details of Arrangement as per sub-section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

No.	Particulars	Talwalkars Better Value Fitness Limited	Talwalkars Lifestyles Limited
		Demerged / Applicant Company	Resulting Company
(i)	Details of the order of the NCLT directing the calling, convening and conducting of the meeting :-		
A	Date of the order	Order dated 9 th March, 2017	Order dated 9 th March, 2017
B	Date, time and venue of the meeting	Thursday, 27 th April, 2017 11:30 a.m. M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4 th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai-400 001	Thursday, 27 th April, 2017 2:00 p.m. Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Mumbai- 400 001
(ii)	Details of the Companies including		
a.	Corporate Identification Number (CIN)	L92411MH2003PLC140134	U93090MH2016PLC280127
b.	Permanent Account Number (PAN)	AABCT8207A	AAFCT7279N
c.	Name of Company	TALWALKARS BETTER VALUE FITNESS LIMITED	TALWALKARS LIFESTYLES LIMITED
d.	Date of Incorporation	24 th April, 2003	23 rd April, 2016
e.	Type of Company	Public	Public
f.	Registered Office address E-mail address	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai- 400026, India ig@talwalkars.net	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai- 400026, India ig@talwalkars.net
g.	Summary of main object as per the memorandum of association; and main business carried on by the Company	"To carry on the business of owning, running, managing and franchising in India or anywhere in the world gymnasias and fitness centers and health clubs for men, women or children which includes body building, keep fit training, body shaping, weight gaining, weight reducing, height increase and /or to render all types of health care and beauty services including diet, nutrition, yoga, massage, steam and sauna bath, Jacuzzi, health spas, figure control, slimming aerobics, dance to fitness, physiotherapy services." "To buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, health fitness and exercise equipments, gadgets, clothing and fitness accessories including gloves, belts, mats, body building supplements, shoes, bags, clothing items and fitness equipments and products."	"To carry on business of owning, running, managing and franchising in India or anywhere in the world gymnasias and fitness centers and health clubs for men, women and children which includes body building, keep fit training, body shaping, weight gaining, weight reducing, height increase and /or to render all types of health care and beauty services including diet, nutrition, yoga, massage, steam and sauna bath, Jacuzzi, health spas, figure control, slimming, aerobics, dance to fitness, physiotherapy services and to buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, health fitness and exercise equipments, gadgets, clothing and fitness accessories including gloves, belts, mats, body building supplements, shoes, bags, clothing items and fitness equipments and products."
h.	Details of change of name, Registered Office and objects of the Company during the last five years	There is no change of name, registered office and main object of the Company during last five years.	There is no change of name, registered office and objects of the Company since incorporation.

i.	Name of stock exchange(s) where securities of the Company are listed, if applicable	BSE Limited & National Stock Exchange of India Limited	Unlisted
j.	Details of capital structure – Authorized, Issued, subscribed and paid-up share capital	As per Para 4 of the Explanatory Statement and Clause 3 of Part I of the Scheme.	As per Para 5 of the Explanatory Statement and Clause 3 of Part I of the Scheme.
k.	Names of the promoters and directors along with their addresses	As per Para 9 (d) of the Explanatory Statement	As per Para 9 (d) of the Explanatory Statement
(iii)	If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or associate companies	Holding Company of the Resulting Company Also refer Para 6 of the Explanatory Statement	Wholly Owned Subsidiary of the Demerged/Applicant Company Also refer Para 6 of the Explanatory Statement
(iv)	The date of board meeting at which the scheme was approved by the board of directors including the name of directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution	24 th November, 2016 The meeting was attended by the following Directors and they all voted in favour of the resolution and the resolution was passed unanimously. Mr. Girish Talwalkar Mr. Prashant Talwalkar Mr. Vinayak Gawande Mr. Anant Gawande Mr. Harsha Bhatkal Mr. Raman Maroo Dr. Avinash Phadke Mr. Abhijeet Patil Mr. Dinesh Afzulpurkar	24 th November, 2016 The meeting was attended by all the Directors (list of directors is as mentioned above in point (ii) k and the resolution was passed unanimously.
(v)	<i>Explanatory Statement disclosing details of the scheme of compromise or arrangement including:-</i>		
a.	Parties involved in Such compromise or arrangement	TALWALKARS BETTER VALUE FITNESS LIMITED (Demerged /Applicant Company) TALWALKARS LIFESTYLES LIMITED (Resulting Company)	
b.	In case of demerger, appointed Date		
	Appointed Date	1 st April, 2016	
	Effective Date	The last of the dates on which the certified or authenticated copy of the orders of the High Court/ NCLT sanctioning the scheme are filed with the Registrar of Companies by the Resulting Company and the Demerged Company.	
	Share Exchange Ratio and other considerations, if any	Refer Annexure B-I for Valuation Report and B-II for fairness opinion.	The Equity Shares of the Resulting Company held by the Demerged Company on the Record date shall be deemed to have been cancelled. Refer Annexure B-I for Valuation Report; and B-II for fairness opinion.
c.	Summary of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the	The same is available for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11 a.m. to	The same are available for inspection at the registered office of the Company on all working days, except Saturdays, Sundays and Public Holidays during business hours from Monday to Friday between 11 a.m. to 1

	valuation report is available for inspection at registered office of the Company	1 p.m. upto one day prior to the date of the meeting.	p.m. upto one day prior to the date of the meeting.
d.	Details of capital or debt restructuring, if any	NIL	
e.	Rationale for the arrangement	Refer Clause 1.6 of Part I of the Scheme. Also refer Para 6 (b) of the Explanatory Statement.	
f.	Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)	As provided in the rationale Clause 1.6 of Part I of the Scheme and as stated Para 6 (b) of the Explanatory Statement.	
g.	Amount due to unsecured Creditors as of 31 st December, 2016	Rs. 15.78 Crores	There were no unsecured creditors as at 31 st December, 2016
(iv)	Disclosure about effect of the compromise or arrangement on		
a.	Key Managerial personnel (KMP) (other than Directors)	No Effect	No Effect
b.	Directors	No Effect	No Effect
c.	Promoters	No Effect	No Effect
d.	Non-promoter members	No Effect	No Effect
e.	Depositors	No Effect	No Effect
f.	Creditors	Creditors, in relation to the Gym Business of the Demerged Company, shall become the creditors of the Resulting Company and paid off in the ordinary course of business.	Creditors, in relation to the Gym Business of the Demerged Company, shall become the creditors of the Resulting Company and paid off in the ordinary course of business.
g.	Debenture holders	The debenture-holders of the Demerged Company will become the debenture-holders of the Resulting Company as the debentures pertain to the Gym Business.	
h.	Deposit Trustee & Debenture Trustee	Axis Trustee Services Limited	
i.	Employees of the company	No Effect as employees, if any, will become employees of the Resulting Company.	No Effect as employees, if any, will become employees of the Resulting Company.
(vii)	Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel (KMP) and Debenture Trustee		
	Directors	No material effect of arrangement	
	Key Managerial personnel	No material effect of arrangement	
	Debenture Trustee	No material effect of arrangement	
(viii)	Investigation or proceedings, if any, pending against the company under the Act	NONE	
(ix)	Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors, namely		
a.	Latest Audited Financial Statements of the Company including consolidated financial statements	Available at Registered Office of the Applicant Company between 11 a.m. to 1 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting. With respect to the Demerged Company, they are also available on the respective websites of the Demerged Company and the Stock Exchanges, where their shares are listed.	
b.	Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with	Available at Registered Office of the Applicant Company between 11 a.m. to 1 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting.	
c.	Copy of Scheme of Compromise or Arrangement	Enclosed as Annexure A to this Notice. Also available at Registered Office of the Applicant Company and at office of its	

		Advocates, M/s Hemant Sethi & Co., 1602 NavParmanu, Behind Amar Cinema, Chembur, Mumbai – 400071 between 11:00 a.m. to 01:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting. With respect to the Demerged Company, they are also available on the respective websites of the Demerged Company and the Stock Exchanges, where their shares are listed.	
d.	Contracts or Agreements material to the compromise or arrangement	There were no contracts or agreements material to the Scheme of Arrangement.	
e.	The certificate issued by the Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and	Available at Registered Office of the Applicant Company between 11.00 a.m. to 1.00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting.	
f.	Such other information or documents as the Board or Management believes necessary and relevant for making decision things for or against the scheme	Not Applicable	Not Applicable
(x)	Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement	No Objection Certificate in the form of Observation Letter received from BSE Limited and National Stock Exchange of India Limited dated 8 th February, 2017.	NA
		Notice under Section 230(5) of the Companies Act, 2013 is being given to: <ul style="list-style-type: none"> The Central Government, Registrar of Companies and Income Tax Authorities in respect of both Companies, Reserve Bank of India, SEBI and concerned Stock Exchange(s) in respect of Demerged Company; and Approvals, sanctions or representations, if any, are pending from these authorities.	
(xi)	A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means	Members to whom the Notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means.	

11. General:

- a) The rights and interests of the Equity Shareholders, Secured or Unsecured Creditors of the Demerged Company and the Resulting Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
- b) There are no winding up proceedings pending against the Applicant Company as of date.
- c) The following additional documents will be open for inspection to the equity shareholders of the Applicant Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting:
- Papers and proceedings in Company Application No. 242 of 2017 including certified copy of the Order of the Mumbai Bench of the National Company Law Tribunal in the said Company Application directing the convening and holding of the meetings of the equity shareholders of the Applicant Company;
 - Memorandum of Association and Articles of Association of the Demerged Company and the Resulting Company;
 - Report on Recommendation of Share Exchange Ratio dated 24th November, 2016 issued by M/s SSPA & Co;
 - Fairness Opinion dated 24th November, 2016, issued by Inga Capital Private Limited;

- (v) Observation Letter received from BSE and NSE dated 8th February, 2017;
 - (vi) Copy of the Complaints Report dated 7th January 2017, submitted by Applicant Company to BSE and NSE and also uploaded on Applicant Company's website;
 - (vii) Register of Directors and Shareholders of the Applicant Company;
 - (viii) Audit Committee Report dated 24th November, 2016 of the Applicant Company;
 - (ix) Copies of the resolutions passed by the respective Board of Directors of Resulting Company and the Demerged / Applicant Company dated 24th November, 2016 approving the Scheme.
- d) A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and Public Holidays) from the Registered Office of Applicant Company or / and at the office of Advocates situated at 1602 NavParmanu, Behind Amar Cinema, Chembur, Mumbai 400071.
- e) This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013 and corresponding Section 393 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956.

Sd/-
Girish Taiwalkar
Chairman

Dated this 14th day of March, 2017
Place: Mumbai

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

SCHEME OF ARRANGEMENT

ANNEXURE - A

BETWEEN

TALWALKARS BETTER VALUE FITNESS LIMITED

AND

TALWALKARS LIFESTYLES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND TO THE EXTENT APPLICABLE, PROVISIONS OF THE COMPANIES ACT, 2013

PART I - GENERAL

1. GENERAL

- 1.1 Talwalkars Better Value Fitness Limited ("the Demerged Company" or "TBVF") is a public limited company incorporated on 24th April, 2003 under the provisions of the Act under the name and style of "Talwalkars Better Value Fitness Private Limited". The name was then changed to its present name of "Talwalkars Better Value Fitness Limited" on 7 November, 2009. The registered office of the Demerged Company is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai-400026, India. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 1.2 The Demerged Company is engaged in the business of owning, managing and franchising gymnasias, fitness centers and health clubs. The Demerged Company also renders different types of healthcare and beauty services including diet, nutrition-based, weight-loss programs like Reduce, Nurform, yoga, physiotherapy, Zumba, Zorba, and other allied lifestyle and wellness activities etc.
- 1.3 Talwalkars Lifestyles Limited ("the Resulting Company" or "TLL") is a public limited company incorporated on 23rd April, 2018 under the provisions of the Act having its registered office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai-400026, India. The Resulting Company is engaged in the business of owning, managing and franchising gymnasias, fitness centers and health clubs. The Resulting Company is a wholly-owned subsidiary of the Demerged Company.
- 1.4 This Scheme of Arrangement provides for the transfer of Gym Business from the Demerged Company to the Resulting Company, and the consequent discharge of consideration by the Resulting Company to the Demerged Company, pursuant to the relevant provisions of the Act.
- 1.5 This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.
- 1.6 Rationale for the Scheme:
- 1.6.1 In order to achieve better management and to have clear focus on business operations, the management of Demerged Company has decided to demerge Gym Business, thereby transferring Gym Business (as defined hereinafter) of TBVF to Talwalkars Lifestyles Limited, in the interests of maximizing overall shareholder value.
- 1.6.2 Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Gym Business of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme (as defined hereinafter) under the provisions of Sections 391 to 394 read with relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, for such consideration and in such manner as provided for in this Scheme (as defined hereinafter).
- 1.6.3 Accordingly, this Scheme under Sections 391 to 394 and applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, has been proposed to provide for transfer of Gym Business of the Demerged Company by way of demerger to the Resulting Company.
- 1.6.4 Upon the sanction of the Scheme by the High Court (as defined hereinafter) and the Scheme becoming effective on the Effective Date (as defined hereinafter), the Gym Business of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.

2. DEFINITIONS

- 2.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:
- 2.1.1 "Act" means the Companies Act, 1956 (and to the extent applicable, provisions of the Companies Act, 2013) or any statutory modification or re-enactment thereof;

- 2.1.2 "Appointed Date" for the purpose of this Scheme and Income Tax Act, 1961 means April 1, 2016 or such other date as the Court or National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 2.1.3 "Court" or "High Court" means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, as the case may be, under Section 391 to 394 of the Act may direct or approve;
- 2.1.4 "Demerged Company" means Talwalkars Better Value Fitness Limited, a public company incorporated under the provisions of the Act having its registered office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai-400028, India;
- 2.1.5 "Gym Business" means the Gym Business of the Demerged Company, comprising, *inter alia*, the assets and liabilities which shall mean and include (without limitation):
- (i) all assets wherever situated, whether movable or immovable (except for the Gym Premises owned by the Demerged Company), tangible or intangible, all plant and machinery including, vehicles, investments, interest, furniture, fixtures, gym equipment, office equipments, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, lease, tenancy rights in relation to office and residential properties, incentives if any, municipal permissions, consents, or powers of every kind, nature and description whatsoever in connection with operating or relating to the Gym Business of the Demerged Company and all other permissions, rights (including rights under any contracts, government contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the Gym Business, and all deposits, advances and or moneys paid or received by the Demerged Company in connection with or pertaining or relating to the Gym Business, all statutory licenses and / or permissions to carry on the operations of the Gym Business and any financial assets, corporate guarantees issued by the Demerged Company and the benefits of any bank guarantees issued in relation to and for the benefit of the Gym Business of the Demerged Company, deferred tax benefits, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Gym Business of the Demerged Company together with all present and future liabilities (including contingent liabilities), etc. pertaining or relating to the Gym Business;
 - (ii) all assets wherever situated, whether movable or immovable (except for the Gym Premises owned by the Demerged Company), tangible or intangible, including entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest pertaining or relating to the Gym Business including the programs and brands such as "HiFi", "PowerWorld Gym" and "Talwalkars"
 - (iii) Without prejudice to the provisions of sub-clause 2.1.5(i) and 2.1.5(ii) above, the Gym Business of the Demerged Company shall include all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (except for the Gym Premises owned by the Demerged Company) in connection with or pertaining or relating to the Gym Business of the Demerged Company;
- For the purpose of this Scheme and sub-clause (iii) above, it is clarified that liabilities pertaining to the Gym Business of the Demerged Company include:
- a) The liabilities, which arises out of the activities or operations of the Gym Business of the Demerged Company;
 - b) Specific loans and borrowings raised, incurred and utilized for the activities or operations of the Gym Business excluding the loans, borrowings and other liabilities towards Gym Premises Owned by Demerged Company;
 - c) Liabilities other than those referred to in Sub-Clause a) and b) above and not directly relating to the remaining business of the Demerged Company, being the amounts of general or multipurpose borrowings of the Demerged Company shall be allocated to the Gym Business of the Demerged Company as may be decided by the Board of Directors of the Demerged Company;
 - (iv) all deposits and balances with Government, Semi Government, Local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by the Demerged Company directly or indirectly in connection with or relating to the Gym Business;
 - (v) all necessary books, records, files, papers, product, specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Gym Business of the Demerged Company;
 - (vi) All permanent and / or temporary employees of the Demerged Company substantially engaged in the Gym Business and those permanent and / or temporary employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or relating to the Gym Business of the Demerged Company;
- 2.1.6 "Effective Date" means the date on which the certified copy of the Order of the High Court sanctioning the Scheme is filed with the Registrar of Companies, Mumbai, Maharashtra;
- 2.1.7 "New Equity Shares" means new equity shares of the Resulting Company as referred to in Clause 9 hereof;

- 2.1.8 "Proceedings" shall have the meaning ascribed to it in Clause 7.1 hereof;
- 2.1.9 "Record Date" means the date fixed by the Board of Directors of the Demerged Company or any committee thereof in consultation with the Resulting Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Equity Shares in the Resulting Company pursuant to Clause 9 of the Scheme, upon coming into effect of this Scheme
- 2.1.10 "Remaining Business" means all the business, divisions, assets and liabilities including but not limited to Gym Premises Owned by Demerged Company and loans, borrowings and other liabilities towards such Gym Premises Owned of the Demerged Company including diet, nutrition-based, weight-loss programs like Reduce, Nuform, yoga, physiotherapy, Zumba, Zorba, and other allied lifestyle and wellness activities, other than the Gym Business as defined in the clause 2.1.5;
- 2.1.11 "Resulting Company" means Talwalkars Lifestyles Limited, a public company incorporated under the provisions of the Act having its registered office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai-400026, India;
- 2.1.12 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form submitted to the High Court or with any modification(s) made under Clause 16 of this Scheme or with such other modifications / amendments as the High Court may direct.
- 2.1.13 "SEBI" means the Securities and Exchange Board of India;
- 2.1.14 "SEBI Circular" means circular issued by SEBI, bearing reference number CIR/CFD/CMD/16/2015 dated 30 November 2015 and any amendments thereto including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

3. SHARE CAPITAL

- 3.1 The share capital structure of the Demerged Company as on 31st March, 2016, was as follows:

PARTICULARS	AMT. IN RUPEES
Authorized Capital	
32,000,000 Equity Shares of Rs. 10/- each	320,000,000
	<u>320,000,000</u>
Issued, Subscribed and Paid-up Capital	
29,704,856 Equity Shares of Rs.10/- each fully paid-up	297,048,560
	<u>297,048,560</u>

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of TBVF.

- 3.2 The share capital structure of the Resulting Company as on 30th September, 2016, was as follows:

PARTICULARS	AMT. IN RUPEES
Authorized	
10,000 Equity Shares of Rs. 10/- each	100,000
	<u>100,000</u>
Issued, Subscribed and Paid-up	
10,000 equity shares of Rs. 10/- each	100,000
	<u>100,000</u>

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of Talwalkars Lifestyles Limited. The entire share capital of Talwalkars Lifestyles Limited is held by the Demerged Company.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out therein in its present form or with any modification (s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II – TRANSFER OF BUSINESS

5. TRANSFER OF GYM BUSINESS

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme the entire Gym Business shall, pursuant to the provisions of section 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to be transferred to and vested in the Resulting Company, as a going concern, so as to vest in Resulting Company all the rights, title and interest of Demerged Company therein, subject to subsisting charges and pledges, if any.
- 5.2 All assets acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Gym Business or pertaining to the Gym Business shall also stand transferred to and vested in the Resulting Company upon the coming into effect of the Scheme.
- 5.3 In respect of such of the assets of the Gym Business (mentioned in Clause 5.1 and Clause 5.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by the Demerged Company and shall become the property of the Resulting Company as an integral part of the Gym Business transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company.
- 5.4 In respect of such of the assets of the Gym Business other than those referred to in Clause 5.3 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Section 394 of the Act or other provisions of law as applicable.
- 5.5 In so far as assets comprised in the Gym Business are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of the Remaining Business of the Demerged Company shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Demerged Company which are not transferred to the Resulting Company.
- 5.6 In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security over such assets, to the extent they relate to the Gym Business shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence. Without prejudice to the foregoing and with effect from the Effective Date, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Maharashtra to give formal effect to the above provisions, if required.
- 5.7 Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of the Demerged Company as on the Appointed Date is concerned, it is hereby clarified that the Demerged Company and the Resulting Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
- 5.8 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company, and the rights and benefits under the same shall, insofar as they relate to the Gym Business and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Gym Business, be transferred to and vested in the Resulting Company.
- Insofar as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation Schemes, grants, special status, income tax holiday / benefit and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Gym Business, vest with and be available to the Resulting Company on the same terms and conditions.
- 5.9 In so far as loans and borrowings of the Demerged Company are concerned, the loans and borrowings and such amounts pertaining to the general or multipurpose loans, and liabilities which are to be transferred to the Resulting Company in terms of Clause 2.1.5 being a part of the Gym Business shall, without any further act or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings.
- Thus, the primary obligation to redeem or repay such liabilities shall be that of the Resulting Company. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Resulting Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Demerged Company, which in turn shall make payments to the respective creditors.
- 5.10 Subject to Clause 5.9, from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities of the Gym Business as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the said liabilities.

- 5.11 Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Gym Business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
- 5.12 It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Gym Business or otherwise specified in this Scheme), if any, of the Demerged Company shall continue to vest in the Demerged Company.
- 5.13 The provisions of this Clause insofar as they relate to the transfer of liabilities to the Resulting Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 5.14 It is hereby clarified that all assets and liabilities of the Gym Business shall be transferred at values appearing in the books of account of the Demerged Company as on the Appointed Date which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date.
- 6. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY**
- 6.1 As an integral part of the Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Resulting Company, as on the Effective Date, shall be increased to Rs. 300,000,000 (Rupees Thirty Crores) only divided into 30,000,000 equity shares of Rs.10 (Rupees Ten only) each. The increase in authorized share capital shall take place without any further act or deed and by payment of the relevant stamp duty or the registration fees and Clause V of the Memorandum of Association of the Resulting Company shall be altered accordingly.
- 6.2 The Resulting Company shall, before allotment of the equity shares to the shareholders of the Demerged Company, without following the procedure laid down under applicable provisions of the Act, alter the Clause V relating to the authorised share capital, in the Memorandum of Association of the Resulting Company, by-
"The Authorised Share Capital of the Company is Rs. 300,000,000 (Rupees Thirty Crores) only divided into 30,000,000 equity shares of Rs.10 (Rupees Ten only) each"
- 6.3 Pursuant to this Scheme, the Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.
- 6.4 It is hereby provided that the amendment under this Clause shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Resulting Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. The approval of this Scheme by the shareholders of the Resulting Company and Demerged Company under Sections 381-394 of the Act shall be deemed to be the approvals under Section 13 and 61 of the Companies Act 2013 and other applicable provisions of the Act.
- 7. LEGAL PROCEEDINGS**
- 7.1 From the Effective Date, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Demerged Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Gym Business shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent, such Proceedings cannot be taken over by the Resulting Company; the Proceedings shall be pursued by the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company.
- 7.2 If the Proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 7.3 Any legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company, which shall keep the Resulting Company fully indemnified in that regard. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.
- 8. CONTRACTS, LICENSES, APPROVALS & PERMITS**
- 8.1 With effect from the Effective Date and subject to the provisions of this Scheme, all licenses whether Government or otherwise, contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Gym Business to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

- 8.2 Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Gym Business with the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 8.3 It is hereby clarified that if any contract, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to the Gym Business to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.
- 9. CONSIDERATION**
- 9.1 Upon this Scheme coming into effect, the Resulting Company shall, without any further application or deed, issue and allot to every member of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date, in the following ratio (the "Share Exchange Ratio"):
- In respect of every 1 (One) equity shares of Rs. 10/- each fully paid up held by such member in the Demerged Company, 1 (One) equity share in the Resulting Company of Rs 10/- each credited as fully paid up.
- 9.2 The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Resulting Company;
- 9.3 The Equity Shares of the Resulting Company held by the Demerged Company on the Record date shall be deemed to have been cancelled without any further act or deed. Reduction and cancellation of shares in the manner aforesaid shall be treated as integral part of the Scheme and not in accordance with Sections 100-105 of the Act as the same does not involve either diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- 9.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged or Resulting of equity shares in the Demerged Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 9.5 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 9.6 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Demerged Company are listed and admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Demerged Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the relevant stock exchanges.
- 9.7 Upon the New Equity Shares being issued and allotted to the shareholders of Demerged Company, the existing shares held in the Resulting Company by the said members of Resulting Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- 9.8 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Demerged Company, provided all details relating to the account with the depository participant are available to Resulting Company. All those equity shareholders who hold equity shares of Demerged Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Resulting Company or committee thereof.
- 9.9 Upon the coming into effect of the Scheme, the New Equity Shares of Resulting Company to be issued and allotted to the members of the Demerged Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and the New Equity Shares shall rank pari passu from the date of allotment in all respects with the existing equity shares of Resulting Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 9.10 Approval of the Scheme by the shareholders of Resulting Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

- 9.11 If any shareholder of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company in accordance with Clause 9.1 of this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Demerged Company, and shall dispose of the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.
- 9.12 The Resulting Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.
- 10. ACCOUNTING TREATMENT**
- 10.1 Treatment in the books of Demerged Company:
- 10.1.1 The book values of assets & liabilities relating to the Gym Business transferred pursuant to the Scheme from the Demerged Company to the Resulting Company shall be reduced from the total book value of assets & liabilities as appearing in the books of the Demerged Company at the close of business of the day immediately preceding the Appointed Date;
- 10.1.2 The excess of book value of assets over liabilities of the Gym Business, if any, after adjusting for revision in the value of assets and liabilities of the Remaining Business, appearing in the book of accounts of the Demerged Company as considered appropriate by the Board of Directors of the Demerged Company and creation of 'Reconstruction Expense Account' to the extent of Rs. 2,50,00,000 (Rupees Two Crores Fifty Lacs) shall be adjusted against the balance in the Securities Premium / Capital Reserve / General Reserve / Balance in the statement of profit or loss of the Demerged Company. In case of a shortfall of book value of assets over book value of liabilities, if any, shall be credited to the Capital Reserve Account of the Demerged Company.
- 10.1.3 The expenses pertaining to the demerger, except those mentioned in Clause 10.2.3 shall be debited to the 'Reconstruction Expense Account'. The balance appearing in the 'Reconstruction Expense Account', if any, after meeting the expenses shall be credited to the General Reserve.
- 10.1.4 The application and consequential reduction of the securities premium account, in accordance with Clause 10.1.3 above, shall be effected as an integral part of the Scheme and the order of the Company Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 (or the relevant provisions of the Companies Act, 2013) confirming the reduction in the Securities Premium Account of the Demerged Company. The proposed reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The Demerged Company shall not be required to add the phrase "and reduced" as a suffix to the name.
- 10.1.5 The approval granted by the shareholders of the Demerged Company to this Scheme shall be deemed to be approval for the purposes of Sections 100-104 of the Companies Act, 1956.
- 10.2 Treatment in the books of the Resulting Company:
- 10.2.1 Talwalkars Lifestyles Limited shall, upon the Scheme becoming operative, record the transfer of assets and liabilities of the Gym Business pursuant to this Scheme, at their book values as appearing in the books of TBVF.
- 10.2.2 Talwalkars Lifestyles Limited shall credit its share capital account with the aggregate face value of the Talwalkars Lifestyles Limited equity shares issued by it to the members of TBVF pursuant to this Scheme.
- 10.2.3 The excess or deficit, if any, remaining after recording the aforesaid entries in clause 10.2.1 and clause 10.2.2, shall be debited as Goodwill or credited by Resulting Company to the respective reserves and surpluses (including the securities premium account), in the same proportion as debited in the books of the Demerged Company pursuant to Clause 10.1.2 above. A 'Reconstruction Expense Account' to the extent of Rs. 7,00,00,000 (Rupees Seven Crores) shall be created against the balance in the Securities Premium / Capital Reserve / General Reserve / Balance in the statement of profit or loss for meeting the costs in relation to transfer of assets pertaining to Gym Business to Talwalkars Lifestyles Limited such as stamp duty, registration charges, etc. The balance appearing in the 'Reconstruction Expense Account' after adjusting the above expenses, if any, shall be credited to the General Reserve.
- 10.2.4 In case the Resulting Company is required to follow accounting policies that are different from that of the Demerged Company for any regulatory reasons, the effect of the difference in the accounting policies between the Demerged Company and the Resulting Company, will be quantified and adjusted in the opening reserve (other than the Securities Premium Account), to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.
- 10.2.5 The application and consequential reduction of the securities premium account, in accordance with Clause 10.2.3 above, shall be effected as an integral part of the Scheme and the order of the Company Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956 (or the relevant provisions of the Companies Act, 2013) confirming the reduction in the Securities Premium Account of the Resulting Company. The proposed reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The Resulting Company shall not be required to add the phrase "and reduced" as a suffix to the name.

- 10.2.8 The approval granted by the shareholders of the Resulting Company to this Scheme shall be deemed to be approval for the purposes of Sections 100-104 of the Companies Act, 1956.
- 10.3 It is hereby clarified that pursuant to the provisions of Clause 13, all transactions during the period between the Appointed Date and Effective Date relating to the Gym Business would be duly reflected in the financial statements of the Resulting Company upon the Scheme coming into effect.
- 11. EMPLOYEES**
- 11.1 With effect from the Effective Date:
- 11.1.1 All the employees of the Demerged Company who are part of the Gym Business shall stand transferred to the Resulting Company on the same terms and conditions on which they are engaged by the Demerged Company, (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) without any interruption in service as a result of transfer of the Gym Business of the Demerged Company to the Resulting Company.
- 11.1.2 The Resulting Company agrees that the services of all such employees (as mentioned in Clause 11.1.1 above) with the Demerged Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in the Demerged Company.
- 11.1.3 The existing provident fund, superannuation fund and gratuity fund, if any, of which the aforesaid employees of the Demerged Company, being transferred under Clause 11.1.1 above to the Resulting Company, are members or beneficiaries along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company for the benefit of such employees on the same terms and conditions. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of the Demerged Company would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company. In case, necessary approvals are not received by the Effective Date and there is delay, all such amounts shall continue to be administered by the Demerged Company as trustee from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective Funds of the Resulting Company [*suo motu*].
- 12. SAVING OF CONCLUDED TRANSACTIONS**
- 12.1 The transfer and vesting of the assets, liabilities and obligations of the Gym Business as per this Scheme and the continuance of the Proceedings by or against the Resulting Company under Clause 6 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on or after the Appointed Date but before the Appointed Date and intend that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts deeds and things done and executed by and on behalf of the Resulting Company.
- 13. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**
- 13.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Gym Business for and on account of and in trust for the Resulting Company.
- 13.2 All profits accruing to the Demerged Company or losses including tax losses, arising or incurred by the Demerged Company in relation to the Gym Business for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as the profits or losses, as the case may be, of the Resulting Company.
- 13.3 The Demerged Company hereby confirms that it has, and shall continue up to the Effective Date, to preserve and carry on the Gym Business with due diligence, prudence and that it will not, without the prior consultation with the Resulting Company, alienate, charge or otherwise deal with or dispose of the Gym Business or any part thereof or recruit any new employees (in each case except in the ordinary course of business) or conclude settlements with unions or employees or undertake substantial expansion of the Gym Business, other than expansions which have already commenced prior to the Appointed Date.
- 14. CHANGE OF NAME**
- 14.1 Upon the Scheme becoming effective, without any further act or deed, the Resulting Company shall be re-named as "Talwalkars Better Value Fitness Limited". The name of the Resulting Company wherever it occurs in the respective Memorandum and Articles of Association shall be substituted by the new name i.e. "Talwalkars Better Value Fitness Limited".
- 14.2 It is further clarified that the Resulting Company shall not be required to pass any resolution under Section 13 and other applicable provisions, if any of the Companies Act, 2013, for Change of Name of the Resulting Company as envisaged in clause 14.1 of this Scheme and that the members of the Resulting Company shall be deemed to have accorded their consent under various provisions of the Act and Rules made there under to the change of name in terms of this Scheme.
- 14.3 Upon the Scheme becoming effective, subject to the change of name of the Resulting Company referred above in clause 14.1, without any further act or deed, the Demerged Company shall be re-named as "Talwalkars Lifestyles Limited". The name of the Demerged Company wherever it occurs in the respective Memorandum and Articles of Association shall be substituted by the new name i.e. "Talwalkars Lifestyles Limited".

- 14.4 It is further clarified that the Demerged Company shall not be required to pass any resolution under Section 13 and other applicable provisions, if any of the Companies Act, 2013, for Change of Name of the Demerged Company as envisaged in clause 14.3 of this Scheme and that the members of the Demerged Company shall be deemed to have accorded their consent under various provisions of the Act and Rules made there under to the change of name in terms of this Scheme.

15. APPLICATIONS TO THE HIGH COURT

- 15.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make applications to the High Court, where the registered offices of the Demerged Company and the Resulting Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act for an order or orders thereof for carrying this Scheme into effect.

16. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 16.1 Subject to approval of the High Court, the Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Demerged Company and the Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

- 16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Resulting Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

This Scheme is conditional upon and subject to:

- 17.1 Requisite approvals, clearances or permissions that may be required to be obtained under applicable laws, or where applicable, the waiting periods or time periods for approval of the Reserve Bank of India, rules and regulations having expired or been terminated.
- 17.2 The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Demerged Company and Resulting Company as may be directed by the High Court;
- 17.3 The Scheme being sanctioned by the High Court;
- 17.4 The certified copy of the order(s) of the High Court sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company
- 17.5 Approval of the Scheme, by the Stock Exchange, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 17.6 Approval of the Scheme by SEBI in terms of SEBI Circulars
- 17.7 Any other approvals and sanctions from a Governmental Authority as may be required by Law in respect of the Scheme being obtained;
- 17.8 This Scheme, although to come into operation with effect from the Appointed Date, shall be effective from the Effective Date.

18. COSTS

- 18.1 All costs, charges and expenses incidental to this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme (excluding stamp duty and registration fees) and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Demerged Company.
- 18.2 All costs in relation to transfer of assets pertaining to Gym Business to Talwalkars Lifestyles Limited such as stamp duty, registration charges, etc. shall be borne and paid by the Resulting Company.

19. REVOCATION OF THE SCHEME

In the event of any of the said sanctions and approvals referred to in Clause 16 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid before 31st December 2018 or such other date as may be mutually agreed upon by the respective Board of Directors of the Demerged Company and the Resulting Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

SSPA & CO.
Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058, INDIA.
Tel : 91 (22) 2670 4376
91 (22) 2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

November 24, 2016

The Board of Directors
Talwalkars Better Value Fitness Limited
801/813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai – 400 026

The Board of Directors
Talwalkars Lifestyles Limited
801/813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai – 400 026

Re: Report on Recommendation of Share Entitlement Ratio for issue of equity shares of Talwalkars Lifestyles Limited to the shareholders of Talwalkars Better Value Fitness Limited in consideration for the demerger of "Gym Business" of Talwalkars Better Value Fitness Limited into Talwalkars Lifestyles Limited

Dear Sirs,

We have been requested by the management of Talwalkars Better Value Fitness Limited (hereinafter referred to as "TBVFL") and Talwalkars Lifestyles Limited (hereinafter referred to as "TLL"), (hereinafter collectively referred to as "Companies") to issue share entitlement ratio report for issue of equity shares of TLL, in connection with proposed demerger of "Gym Business" (hereinafter referred to as "Gym Business") of TBVFL into TLL.

1. BACKGROUND

1.1 TALWALKARS BETTER VALUE FITNESS LIMITED

1.1.1 TBVFL has one of India's largest chain of health centres. TBVFL is engaged in the health and fitness services, and gymming business. The company offers services, such as Transform, Reduce, NuForm, nutrition, spa, massage, aerobics, yoga and dietary regimes, among others. TBVFL also offers Zumba program and Zorba, the yoga.

1.1.2 The company's fitness centers operate under four formats, including Talwalkars, which offers personal training, and steam and massage; Power World Gyms Limited (PWG); Healthy India Fit India (HiFi), which offers functional format gyms, and Zorba, the yoga studios. Nuform offers electrical muscle stimulation (EMS)-based workout and Reduce



offers diet-based weight reduction program. Transform is a combination of Reduce and Nuform program. TBVFL operates approximately 150 centers under the Talwalkars brand, over 25 under HiFi and Nuform Studios, approximately 20 under PWG and 3 under Zorba. Its fitness centers are available at over 85 locations across India and Sri Lanka.

1.1.3 The equity shares of TBVFL are listed on BSE Limited and National Stock Exchange of India Limited.

1.2 TALWALKARS LIFESTYLES LIMITED

1.2.1 TLL was incorporated on April 23, 2016 in Mumbai. The Registered Office of TLL is located at 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The main objects of TLL include being in the business of owning, managing and franchising gymnasias, fitness centers and health clubs.

1.3 TLL is a 100% subsidiary of TBVFL and the existing share capital of TLL is proposed to be cancelled as part of the proposed demerger.

1.4 The management of TBVFL is considering a demerger of its Gym Business into TLL with effect from appointed date of April 1, 2016.

1.5 We have been informed that the Gym Business will be transferred to TLL and in consideration, equity shares of TLL would be issued to the equity shareholders of TBVFL.

2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Management Certified position of assets and liabilities of Gym Business of TBVFL as on March 31, 2016 prepared in compliance with section 2(19AA) of the Income Tax Act.
- (b) Current and proposed shareholding pattern of TLL.
- (c) Such other information and explanations as we required and which have been provided by the management of TBVFL and TLL.

3. LIMITATIONS & EXCLUSIONS

3.1 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.



- 3.2 Our report is not nor should it be construed as our opining or certifying the compliance of the proposed Demerger of "Gym Business" of TBVFL with the provisions of any law including companies, RBI, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Demerger.
- 3.3 The information contained herein and our report is intended only for the sole use and information of the Companies, and only in connection with the proposed demerger as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.
- 3.4 No investigation on the Companies claims to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.
- 3.5 We have not carried out audit of the information provided for the purpose of this engagement. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 3.6 Our work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Our analysis and results are specific to the purpose of this report as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 3.7 Any third person/party intending to provide finance/invest in the shares/businesses of any of the Companies/Gym Business, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 3.8 This report is prepared only in connection with the proposed demerger and transfer exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 3.9 SSPA & Co., nor its partners, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or



completeness of the information, based on which this report is being issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in this report.

4. BASIS FOR DETERMINATION OF RATIO

- 4.1 The management of the Companies are proposing to issue equity shares in the ratio of 1 (One) equity share of INR 10 each fully paid up of TLL for every 1 (One) existing equity share of TBVFL of INR 10 each fully paid up.
- 4.2 We understand from the Management that for the proposed demerger of "Gym Business" of TBVFL into TLL, the ratio of allotment of equity shares in TLL is decided based on the Management desired capital structure of TLL and avoiding fractional entitlement in the hands of the shareholders.

5. RECOMMENDED RATIO

- 5.1 Based on the above, a ratio of 1 (One) equity share of INR 10 each fully paid up of TLL for every 1 (One) existing equity share of TBVFL of INR 10 each fully paid up to equity shareholders of TBVFL in consideration for the demerger of "Gym Business" would be fair and reasonable, considering that all the shareholders of TBVFL are and will, upon demerger, be the ultimate beneficial owners of TLL in the same ratio (inter se) as they hold shares in TBVFL.

Thank you,
Yours faithfully,

SSPA & Co.



SSPA & CO.
Chartered Accountants
Firm Registration Number: 128851W
Place: Mumbai

STRICTLY PRIVATE & CONFIDENTIAL

24th November, 2016

The Board of Directors
Talwalkars Better Value Fitness Limited
801 - 813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai, Maharashtra - 400026

Dear Sirs,

Sub.: Fairness Opinion Certificate on the report on recommendation of Share Entitlement Ratio by SSPA & Co. (Chartered Accountants).

Re.: Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders ("Scheme").

This has reference to the request made by the management of Talwalkars Better Value Fitness Limited (hereinafter referred to as "TBVFL" or "the Company") in connection with fairness opinion on the report on recommendation of Share Entitlement Ratio for issue of equity shares of Talwalkars Lifestyles Limited (hereinafter referred to as "TLL"), in connection with proposed demerger of "Gym Business" (hereinafter referred to as "Gym Business") of TBVFL into TLL by SSPA & Co. (Chartered Accountants) (hereinafter referred to as "the Valuer").

1. PURPOSE OF SHARE ENTITLEMENT REPORT BY THE VALUER

- 1.1 The Board of Directors of TBVFL, has considered and approved the Scheme of Arrangement at their meeting held on 24th November, 2016 providing for transfer of Gym Business by way of demerger from TBVFL to TLL. On demerger of Gym Business of TBVFL to TLL (hereinafter referred as the "Demerger"), TLL would issue shares to the shareholders of TBVFL. The appointed date for the purpose of demerger of Gym Business from TBVFL to TLL is April 1, 2016. TLL is a 100% subsidiary of TBVFL and the





existing share capital of TLL is proposed to be cancelled as part of the proposed demerger.

- 1.2 In this regard, SSPA & Co. (Chartered Accountants) was appointed by the Company to recommend a share entitlement ratio for the proposed Demerger.
- 1.3 The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per regulation 37 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations 2015') read with SEBI Circular CIR/CFD/CMD/16/2015, dated November 30, 2015 ('SEBI Circular').

2. BRIEF BACKGROUND OF COMPANIES

2.1 TALWALKARS BETTER VALUE FITNESS LIMITED

- 2.1.1 TBVFL has one of India's largest chain of health centres. TBVFL is engaged in the health and fitness services, and gymming business. The company offers services, such as Transform, Reduce, NuForm, nutrition, spa, massage, aerobics, yoga and dietary regimes, among others. TBVFL also offers Zumba program and Zorba, the yoga.
- 2.1.2 The company's fitness centers operate under four formats, including Talwalkars, which offers personal training, and steam and massage, Power World Gyms Limited (PWG); Healthy India Fit India (HiFi), which offers functional format gyms, and Zorba, the yoga studios. Nuform offers electrical muscle stimulation (EMS)-based workout and Reduce offers diet-based weight reduction program. Transform is a combination of Reduce and Nuform program. TBVFL operates approximately 150 centers under the Talwalkars brand, over 25 under HiFi and Nuform Studios, approximately 20 under PWG and 3 under Zorba. Its fitness centers are available at over 85 locations across India and Sri Lanka.
- 2.1.3 The equity shares of TBVFL are listed on BSE Limited and National Stock Exchange of India Limited.





2.2 TALWALKARS LIFESTYLES LIMITED

2.2.1 TLL was incorporated on April 23, 2016 in Mumbai. The Registered Office of TLL is located at 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The main objects of TLL include being in the business of owning, managing and franchising gymnasias, fitness centers and health clubs.

3. SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

- (a) Draft Scheme of Arrangement u/s. 391 to 394 of the Companies Act, 1956 (to the extent applicable provisions of the Companies Act, 2013)
- (b) Certified Report on Recommendation of Share Entitlement Ratio for the Demerger of Gym Business from Talwalkars Better Value Fitness Limited into Talwalkars Lifestyles Limited dated 24th November, 2016, issued by SSPA & Co (Chartered Accountants)
- (c) Certified Copy of Certificate of Incorporation and Memorandum and Articles of Association of TBVFL and TLL
- (d) Audited Financials of TBVFL for the years ended March 31, 2014, March 31, 2015 and March 31, 2016
- (e) Audited Financials of TLL for the period-ended September 30, 2016
- (f) Management certified position of assets and liabilities of the Gym Business as on March 31, 2016
- (g) Current and proposed shareholding pattern of TLL
- (h) Other such information and explanations as were required and which have been provided by SSPA & Co (Chartered Accountants) and Company.





4. EXCLUSIONS AND LIMITATIONS

- 4.1 Conclusions reached by us are dependent on the information provided to us being complete & accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our certificate.
- 4.2 No investigation of the Companies' claim to title of assets has been made by us for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the account. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.3 This certificate is prepared with a limited purpose / scope as identified / stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.
- 4.4 Our opinion is not, nor should it be construed as our opining or certifying the compliance of proposed demerger of Gym Business of TBVFL to TLL with the provision of any law including Companies, Taxation, Accounting and other regulatory provisions or as regards any legal implications or issues arising thereon. Our opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the scheme other than the fairness, from financial point of view, of the Share Entitlement Ratio





- 4.5 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third-party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Companies.
- 4.6 The Fairness Opinion is addressed only to the Board of Directors of Companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Companies and the Stock Exchanges and also be made part of the explanatory statement to be circulated the shareholders and/or creditors of the Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga Capital's prior written consent. The Fairness Opinion should be read in totality and not in parts.
- 4.7 In no circumstances however, will Inga Capital or its directors, officers, employees and controlling persons of Inga Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.
- 4.8 Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

5. CONCLUSION

- 5.1 We have reviewed the approach used by the Valuer for recommending of share entitlement ratio for transfer of Gym Business by way of demerger.





5.2 On the basis of the foregoing points read with regulation 37 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations 2015') and in terms of SEBI Circular CIR/CFD/CMD/16/2015, dated November 30, 2015, we are of the opinion that the recommendation made by SSPA & Co. (Chartered Accountants) is fair & reasonable with regards to entitlement ratio for transfer of Gym Business from TBVFL into TLL by way of demerger which is as under:

1 equity share of face value of INR 10/- each fully paid up in TLL for every 1 equity share of face value of INR 10/- each fully paid-up in TBVFL

Thanking you,

Yours faithfully,

For Inga Capital Private Limited

S. Karthikeyan
Director
Place: Mumbai





DCS/AMAL/SD/R37/697/2016-17

February 08, 2017

The Company Secretary
Talwalkars Better Value Fitness Ltd.
801/813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai, Maharashtra- 400026

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Talwalkars Better Value Fitness Ltd and Talwalkars Lifestyles Ltd and their Respective Shareholders & Creditors.

We are in receipt of Draft Scheme of Arrangement between Talwalkars Better Value Fitness Ltd and Talwalkars Lifestyles Ltd and their Respective Shareholders & Creditors.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated February 07, 2017 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

However, the listing of equity shares of Talwalkars Lifestyles Ltd on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Talwalkars Lifestyles Ltd shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Talwalkars Lifestyles Ltd is at the discretion of the Exchange. In addition to the above, the listing of Talwalkars Lifestyles Ltd pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the information Memorandum containing all the information about Talwalkars Lifestyles Ltd in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information Talwalkars Lifestyles Ltd in line with the details required as per the aforesaid SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Talwalkars Lifestyles Ltd on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.



BSE Limited (Formerly Bombay Stock Exchange Ltd)
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001
T: +91 22 2272 1254/33 E: corp.com@bseindia.com www.bseindia.com
Corporate Identity Number: U67120MH2003PLC

4. The following provisions shall be incorporated in the scheme:

- i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
- ii. "There shall be no change in the shareholding pattern of Talwalkars Lifestyles Ltd between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

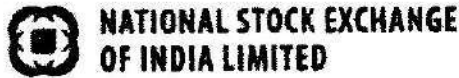
- a) Copy of the High Court approved Scheme;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the approved Scheme vis-à-vis the Draft Scheme;
- d) Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e) Status of compliance with the Observation Letter/s of the stock exchanges;
- f) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g) Complaints Report as per Annexure II of this Circular.
- h) Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Anil Pujari
Manager



Ref: NSE/LIST/103434

February 08, 2017

The Company Secretary
Talwalkars Better Value Fitness Limited
801/813, Mahalaxmi Chambers
22, Bhulabhai Desai Road
Mumbai-400026

Kind Attn.: Ms. Avanti Sankav

Dear Madam

Sub: Observation Letter for Draft Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited under sections 391 to 394 of the Companies Act, 1956

This has reference to draft scheme of arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited under sections 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated December 08, 2016

Based on our letter reference no Ref: NSE/LIST/101957 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated February, 07 2017, has given following comments:

The Company shall duly comply with various provisions of the Circular

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from February 08, 2017, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No.CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For **National Stock Exchange of India Limited**

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

Talwalkars Better Value Fitness Ltd.
Regd. Off.: 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026
Tel.: 6612 6300 Fax: 6612 6383 Website: www.talwalkars.net CIN: L92411MH2003PLC140134



7th January, 2017

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001

Dear Sirs,

Re.: Clause 6 of Part I of Annexure I of the SEBI Circular dated 30 November, 2015 bearing reference CIR/CFD/CMD/16/2015 and application filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 15 December, 2016

Sub: Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders

Further to our application under Regulation 37(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders ("Scheme"), please find enclosed the Complaints Report for the period 13th December, 2016 to 5th January, 2017 as Annexure I.

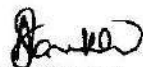
We have also uploaded the Complaints Report on our website.

We request you to take the above on record and oblige. We request you to provide necessary "No Objection" to the Scheme at the earliest so as to enable us to file the draft Scheme with the Hon'ble High Court / National Company Law Tribunal.

Thanking You,

Yours Faithfully,

For Talwalkars Better Value Fitness Limited


Avantl Sankav
Company Secretary
Encl: as above



Complaints Report

Details of complaints, if any received from 13th December, 2016 to 5th January, 2017 for the proposed Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

For Talwalkars Better Value Fitness Limited


 Avanti Sankav
 Company Secretary



Talwalkars Better Value Fitness Ltd.
Regd. Off.: 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 028.
Tel.: 6612 6300, Fax: 6612 6363 Website: www.talwalkars.net CIN: L92411MH2003PLC140194



7th January, 2017

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kuria Complex,
Bandra (E), Mumbai – 400 051

Dear Sirs,

Re.: Clause 6 of Part I of Annexure I of the SEBI Circular dated 30 November, 2015 bearing reference CIR/CFD/CMD/16/2015 and application filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 15 December, 2016

Sub: Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders

Further to our application under Regulation 37(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders ("Scheme"), please find enclosed the Complaints Report for the period 15th December, 2016 to 5th January, 2017 as Annexure I.

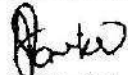
We have also uploaded the Complaints Report on our website.

We request you to take the above on record and oblige. We request you to provide necessary "No Objection" to the Scheme at the earliest so as to enable us to file the draft Scheme with the Hon'ble High Court / National Company Law Tribunal.

Thanking You,

Yours Faithfully,

For Talwalkars Better Value Fitness Limited


Avanti Sankav
Company Secretary
Encl: as above



Complaints Report

Details of complaints, if any received from 15th December, 2016 to 5th January, 2017 for the proposed Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective shareholders.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

For Talwalkars Better Value Fitness Limited


Avanti Sankav
Company Secretary



Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015			
Pre-Demerger Scheme			
1.	Name of Listed Entity: Talwalkars Better Value Fitness Limited		
2.	Scrip Code/Name of Scrip/Class of Security: 533200		
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)		
	a. If under 31(1)(b) then indicate the report for Quarter ending		
	b. If under 31(1)(c) then indicate date of allotment/extinguishment		
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of Information:-		
	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.			
GENERATED ON :25/11/2016 NSDL : 18/11/2016 CDSL :18/11/2016			

Table 1 - Summary Statement of Holdings of Specified Securities													
Category	No. of Shareholders	No. of fully paid up equity shares held	No. of partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. shares held	Shareholding as a % of total shares (calculate as per SCRR, 1997)	Number of Voting Rights in each class of securities		No. of Shares Underlying Outstanding Derivative Securities (Including Securities Warrants) as a percentage of diluted share capital	Shareholding, as a % assuming conversion of convertible securities	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form
							No. of Voting Rights Class 'X'	Total (A+B+C)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(A) Promoter & Promoter Group	11,283,743	0	0	0	11,283,743	37.9862	11,283,743	37.9862	0	0	0	0	11,283,743
(B) Public	1,49,214	1,49,213	0	0	1,49,213	0.2136	1,49,213	0.2136	0	0	0	0	1,49,213
(C) Non Promoter - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0
(D) Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0
(E) Shares held by Employees	0	0	0	0	0	0	0	0	0	0	0	0	0
(F) Trust	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11,49,214	1,49,213	0	0	11,49,213	38.2000	11,49,213	38.2000	0	0	0	0	11,49,213

GENERATED ON: 15/11/2015 MSCK: 10/11/2015 CPCL: 18/11/2015

Category & Name of the shareholders	Nos. of shares held	No. of fully paid up equity shares held	Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % as per SEBI, 1957 Act as % of (A+B+C)	Number of Voting Rights in each class of securities	Total as % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (a)	Shareholding % as % of full conversion of convertible securities as a percentage of diluted share capital (b)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
												(i) =	(ii) =	
(A)	(B)	(C)	(D)	(E)	(F) =	(VII) As a % (A+B+C)	(VIII) As a % (A)	(IX)	(X)	(XI) =	(XII)	(XIII)	(XIV)	(XV)
1	Indian	11276000	0	0	11276000	37.9603	11276000	37.9603	0	37.9603	0	0	0	11276000
(a)	Individuals / Hindu Undivided Family	11276000	0	0	11276000	37.9603	11276000	37.9603	0	37.9603	0	0	0	11276000
	AAAF1528N	2887780	0	0	2887780	9.7216	2887780	9.7216	0	9.7216	0	0	0	2887780
	AAAP281754	2875860	0	0	2875860	9.6819	2875860	9.6819	0	9.6819	0	0	0	2875860
	Gikhi Madhulal Tawalla	1891900	0	0	1891900	6.5037	1891900	6.5037	0	6.5037	0	0	0	1891900
	Vinayk Ratnakar Gowande	1562700	0	0	1562700	5.2523	1562700	5.2523	0	5.2523	0	0	0	1562700
	AAAP064768	1562700	0	0	1562700	5.2523	1562700	5.2523	0	5.2523	0	0	0	1562700
	AAAP03208P	100000	0	0	100000	0.3366	100000	0.3366	0	0.3366	0	0	0	100000
	Harsha Ramdas Bhartat	0	0	0	0	0	0	0	0	0	0	0	0	0
	Moolchur Vahnu Tawalla	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Foreign Institutions / Banks	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)	7683	0	0	7683	0.0259	7683	0.0259	0	0.0259	0	0	0	7683
	Bankers Company	7683	0	0	7683	0.0259	7683	0.0259	0	0.0259	0	0	0	7683
	Bank of India Leasing & Finance Ltd	7683	0	0	7683	0.0259	7683	0.0259	0	0.0259	0	0	0	7683
	Sub Total (A)(1)	11281743	0	0	11281743	37.9862	11281743	37.9862	0	37.9862	0	0	0	11281743
2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)-(A)(1)-(A)(2)	11281743	0	0	11281743	37.9862	11281743	37.9862	0	37.9862	0	0	0	11281743

Details of shares which remain unclaimed may be given here along with details such as number of shareholders, overvalued shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :
 (1) PAN would not be displayed on website of Stock Exchange(s)
 (2) The term 'Encumbered' has the same meaning as assigned under regulation 2(E) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 GENERATED ON 26/11/2016 MSCB : 18/11/2016 CBS : 13/11/2016

Category & Name of the shareholders	PAN	Nos. of shares held	Nos. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % as per SCRR, 1957 (A+B+C)	Number of Voting Securities	Number of Voting Rights held in each class of			No. of Shares Underlying Outstanding Conversion of convertible securities (including warrants)	Shareholding % as per Full conversion of convertible securities as a percentage of diluted share capital	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form
									Class eq: X	Class eq: Y	Class eq: Z					
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Institutions															
(a)	Annual Fund	13	1461832	0	0	1461832	4.9206	1461832	0	1461832	4.9206	0	0	0	1461832	0
	Birla Sun Life Trustee Company Private Limited A/C India Excel (Offshore) Fund	0	549990	0	0	549990	1.8515	549990	0	549990	1.8515	0	0	0	549990	0
	MAT10570A	0	400000	0	0	400000	1.6159	400000	0	400000	1.6159	0	0	0	400000	0
	Tata Trustee Co. Ltd A/C Tata Mutual Fund - Tata Equity 2/E Fund	0	360467	0	0	360467	1.2135	360467	0	360467	1.2135	0	0	0	360467	0
	MAT10570C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternative Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	10	4361347	0	0	4361347	14.8921	4361347	0	4361347	14.8921	0	0	0	4361347	0
	Smallcap World Fund, Inc	0	2389000	0	0	2389000	8.0425	2389000	0	2389000	8.0425	0	0	0	2389000	0
	American Funds Insurance Series	0	1020000	0	0	1020000	3.4338	1020000	0	1020000	3.4338	0	0	0	1020000	0
	Global Small Capitalization Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Long Term India Fund	0	425000	0	0	425000	1.4307	425000	0	425000	1.4307	0	0	0	425000	0
(g)	Financial Institutions / Banks	0	646000	0	0	646000	2.1748	646000	0	646000	2.1748	0	0	0	646000	0
	Axii Bank Limited	0	600000	0	0	600000	2.0199	600000	0	600000	2.0199	0	0	0	600000	0
(h)	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(i)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(j)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (8)(1)	26	6469991	0	0	6469991	21.7776	6469991	0	6469991	21.7776	0	0	0	6469991	0
2	Central Government/ State Government(s)/ President of India															
(a)	Sub Total (8)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Non-Institutions															
(a)	Indi-Indians															

	13475	4022763	0	0	4022763	13.5424	4022763	0	4022763	13.5424	0	13.5424	D	D/NA	NA	4012527
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.																
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	26	2671837	0	0	2671837	8.9946	2671837	0	2671837	8.9946	0	8.9946	0	D/NA	NA	2671837
(a)																
(b)																
(c)																
(d)																
(e)	1365	5257504	0	0	5257504	17.6991	5257504	0	5257504	17.6991	0	17.6991	0	D/NA	NA	5257504
Trusts	2	214100	0	0	214100	0.7208	214100	0	214100	0.7208	0	0.7208	0	D/NA	NA	214100
Hindu Undivided Family	407	246300	0	0	246300	0.8292	246300	0	246300	0.8292	0	0.8292	0	D/NA	NA	246300
Non Resident Indians (Non Repat)	146	247409	0	0	247409	0.8329	247409	0	247409	0.8329	0	0.8329	0	D/NA	NA	247409
Non Resident Indians (Repatriate)	402	403285	0	0	403285	1.3576	403285	0	403285	1.3576	0	1.3576	0	D/NA	NA	403285
Clearing Member	144	186731	0	0	186731	0.6223	186731	0	186731	0.6223	0	0.6223	0	D/NA	NA	186731
Bodies Corporate	284	3949679	0	0	3949679	13.2864	3949679	0	3949679	13.2864	0	13.2864	0	D/NA	NA	3949679
Unit Trust Of India Investment Advisory Services Limited A/C		1475400	0	0	1475400	4.9669	1475400	0	1475400	4.9669	0	4.9669	0	D/NA	NA	1475400
Ascom India Fund III																
Rajaj Allianz Life Insurance Company Ltd.		851301	0	0	851301	2.8659	851301	0	851301	2.8659	0	2.8659	0	D/NA	NA	851301
Total (B)(1)	14888	11952104	0	0	11952104	40.2362	11952104	0	11952104	40.2362	0	40.2362	0	D/NA	NA	11952104
Total Public Shareholding (D)= (B)(1)-(B)(2)-(B)(3)	14814	11921113	0	0	11921113	40.1138	11921113	0	11921113	40.1138	0	40.1138	0	D/NA	NA	11921113

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

No. of shareholders	Name of PAC	No. of Shares	Holding %
1	Laxmi Shivansh Montekar Shivansh Shankar Montekar and Ender Shivansh Montekar Shivansh Shankar Montekar	1573520	5.3

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Notes :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

Tehelgi's Better Value Fitness Limited																	
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholding																	
Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRA, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights					No. (a)	As a % of total Shares held(b)	No. (b)	As a % of total Shares held(b)	
								Class eg. X	Class eg. Y	Total							
(I)	(II)	(III)	(IV)	(V)	(VI) =	(VII) As a % of	(A)	(B)	(C)	(D)	(E) =	(a)	(b)	(c)	(d)	(f)	
1. Custodian/DR Holder			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non-Promoter-Non Public Shareholding (C) = (C1)+(C2)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notes :

[1] PAN would not be displayed on website of Stock Exchange[1].

[2] The above format needs to disclose name of all holders holding more than 1% of total number of shares

[3] W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by

GENERATED ON :28/11/2016

NSDL : 18/11/2016

CDSL :18/11/2016

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Post-Demerger Scheme

1. Name of Listed Entity: **Talwalkars Better Value Fitness Limited**
2. Scrip Code/Name of Scrip/Class of Security: **533200**
3. Share Holding Pattern Filed under: **Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)**
 - a. If under 31(1)(b) then indicate the report for Quarter ending
 - b. If under 31(1)(c) then indicate date of allotment/extinguishment

4. Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

Particulars	Yes*	No*
1. Whether the Listed Entity has issued any partly paid up shares?		No
2. Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3. Whether the Listed Entity has any shares against which depository receipts are issued?		No
4. Whether the Listed Entity has any shares in locked-in?		No
5. Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

GENERATED ON :25/11/2016 NSDL : 18/11/2016 CDSL :18/11/2016

Shareholders Better Value Fitness Limited														
Table 1 - Summary Statement holding of specified securities														
Category	No. of sharehold-ers	No. of fully paid up equity shares held	No. of partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Sharehold-ing as a % of total shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Sharehold-ing as a % of outstanding total convertible securities (including diluted share capital)	Number of Locked-in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form
							No. of Voting Rights	Class	% of Total Equity					
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) As a %	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)
(A) Promoter & Promoter Group	11283745	11283745	0	0	11283745	87.88%	11283745	37.96%	0	37.96%	0	0	0	11283745
(B) Public	18916	18916	0	0	18916	0.15%	18916	0.01%	0	0.01%	0	0	0	18916
(C) Non Promoter - Non Public	0	0	0	0	0	0%	0	0%	0	0%	0	0	0	0
(C1) Shares Underlying DRs	0	0	0	0	0	0%	0	0%	0	0%	0	0	0	0
(C2) Shares Held By Employee Trust	14913	29704856	0	0	29704856	23.02%	29704856	100%	0	100%	0	0	0	29691020
(Total)														
GENERATED ON: 25/11/2016 NSDL: 18/11/2016 CDSL: 18/11/2016														

Table 1 - Statement Showing Shareholding Pattern of the Promoter and Promoter Group												
Sl. No.	Category & Name of the Shareholders	PAN	No. of Shares held	No. of Shares held in demat accounts	No. of Shares held in physical form	No. of Shares held in other forms	No. of Shares held in total	Shareholding % as per SCRR, 1957 (A+B+C+D)	Number of Voting Rights in each class of securities	No. of Shares Underlying Outstanding Convertible Securities (Including Warrants)	Shareholding % as per SCRR, 1957 (A+B+C+D+E)	Total No. of Shares held
1	Indian		11276660	0	0	0	11276660	37.9662	11276660	0	37.9662	11276660
2	Individuals / Hindu Undivided Family		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
3	Trusts		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
4	Partnership Firms		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
5	Joint Venture Companies		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
6	Private Equity Funds		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
7	Insurance Companies		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
8	Banking Companies		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
9	Financial Institutions / Banks		287780	0	0	0	287780	0.9715	287780	0	0.9715	287780
10	Foreign Institutional Investors / Foreign		0	0	0	0	0	0	0	0	0	0
11	Foreign Venture Capital Investors / Foreign		0	0	0	0	0	0	0	0	0	0
12	Government		0	0	0	0	0	0	0	0	0	0
13	Public Sector Undertakings / Government		0	0	0	0	0	0	0	0	0	0
14	Other Shareholders		0	0	0	0	0	0	0	0	0	0
15	Sub Total (A+B+C+D+E)		11276660	0	0	0	11276660	37.9662	11276660	0	37.9662	11276660
16	Total Shareholding of Promoter and Promoter Group		11276660	0	0	0	11276660	37.9662	11276660	0	37.9662	11276660

Details of Shares which remain unclaimed may be given year along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

NOTE: (1) PAN would not be displayed on website of Stock Exchanges. (2) The term 'Encumbrance' has the same meaning as assigned under regulation 2(83) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Table III - Statement showing shareholding pattern of the Public Shareholder														
Category & Name of the Shareholders	PAN	Nos. of shares held as per SCRR, 1957 (A+B+C)	Total nos. shares held	Shareholding % (A+B+C)	No. of Voting Rights	No. of Voting Rights held in each class of securities	No. of Shares Underlying convertible securities (including percentage share capital)	Shareholding % assuming full conversion	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in demerite form	No. of Depository Receipts	Partly paid up equity shares held	No. of fully paid up equity shares held
1	Institutions													
(a)	Mutual Fund		13	1461652	4.9206	1461652	4.9206	0	4.9206	0	1461652	0	0	1461652
	Birla Sun Life Insurance Company Private Limited A/C India Sociel (Dhbanes) Fund	AAAT80102C	0	549990	1.8515	549990	1.8515	0	1.8515	0	549990	0	0	549990
	Tata Trustee Co. Ltd A/C Tara Mutual Fund - Tata Equity P/E Fund	AAAT10570A	0	480000	1.6159	480000	1.6159	0	1.6159	0	480000	0	0	480000
	Birla Sun Life Insurance Company Private Limited A/C India Advantage (Offshore) Fund	AAAT80102C	0	360467	1.2135	360467	1.2135	0	1.2135	0	360467	0	0	360467
(b)	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor		10	4951347	14.8823	4951347	14.8823	0	14.8823	0	4951347	0	0	4951347
	Smallcap World Fund, Inc	LAABC3558L	0	2399000	8.0425	2399000	8.0425	0	8.0425	0	2399000	0	0	2399000
	American Funds Insurance Services	AAAT75708F	0	1020000	3.4338	1020000	3.4338	0	3.4338	0	1020000	0	0	1020000
	Global Small Capitalization Fund		0	0	0	0	0	0	0	0	0	0	0	0
	Long Term India Fund	AAAC15763H	0	425000	1.4307	425000	1.4307	0	1.4307	0	425000	0	0	425000
	Financial Institutions / Banks		3	646010	2.1748	646010	2.1748	0	2.1748	0	646010	0	0	646010
(f)	Axis Bank Limited	AAAC17414K	0	600000	2.0199	600000	2.0199	0	2.0199	0	600000	0	0	600000
(g)	Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)		26	6469009	21.7776	6469009	21.7776	0	21.7776	0	6469009	0	0	6469009
2	Central Government/ State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0
3	Sub Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0
3	Non-Institutions		0	0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals		0	0	0	0	0	0	0	0	0	0	0	0

	31475	4022763	0	0	4022763	13,5424	4022763	0	4022763	31,5424	0	13,5424	0	0	NA	NA	4012527
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.																	
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	28	2671837	0	0	2671837	8,3946	2671837	0	2671837	8,3946	0	8,3946	0	0	NA	NA	2671837
(b) NPFs registered with RBI	0	1258800	0	0	1258800	4,2377	1258800	0	1258800	4,2377	0	4,2377	0	0	NA	NA	1258800
(c) Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(d) Overseas Depositories (holding (INR) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(e) Any Other (Specify)	1385	5257504	0	0	5257504	17,8991	5257504	0	5257504	17,8991	0	17,8991	0	0	NA	NA	5257504
Trusts	2	214100	0	0	214100	0,7208	214100	0	214100	0,7208	0	0,7208	0	0	NA	NA	214100
Hindu Undivided Family	407	246300	0	0	246300	0,8292	246300	0	246300	0,8292	0	0,8292	0	0	NA	NA	246300
Non Resident Indians (Non Report)	146	247409	0	0	247409	0,8329	247409	0	247409	0,8329	0	0,8329	0	0	NA	NA	247409
Non Resident Indians (Report)	402	403285	0	0	403285	1,3576	403285	0	403285	1,3576	0	1,3576	0	0	NA	NA	403285
Charity Member	144	186731	0	0	186731	0,6423	186731	0	186731	0,6423	0	0,6423	0	0	NA	NA	186731
Bodies Corporate	284	3949679	0	0	3949679	13,1964	3949679	0	3949679	13,1964	0	13,1964	0	0	NA	NA	3949679
Unit Trust Of India Investment		1475400	0	0	1475400	4,9659	1475400	0	1475400	4,9659	0	4,9659	0	0	NA	NA	1475400
Arbitary Services Limited A/C		851301	0	0	851301	2,8659	851301	0	851301	2,8659	0	2,8659	0	0	NA	NA	851301
Asset India Fund III		11952104	0	0	11952104	40,2362	11952104	0	11952104	40,2362	0	40,2362	0	0	NA	NA	11952104
Sub Total (B)(3)	14914	1842113	0	0	1842113	62,0138	1842113	0	1842113	62,0138	0	62,0138	0	0	NA	NA	1842113
Total Public Shareholding (B)= (B)(3)+(B)(4)																	

Details of the shareholders acting as persons in Concern including their Shareholding (No. and %)

No. of shareholders	Name of PAC	No. of Shares	Holding %
1	Laxmi Shivnand Manikar Shivnand Shankar Manikar and Kedar Shivnand Manikar Shivnand Shankar Manikar	1573520	5.3

Details of shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
- (3) W.r.t. the information pertaining to Depository Records, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

TataWells Better Value Filters Limited																		
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder																		
Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculate as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (s)		As a % of total Shares held(b)
								Class eg: X	Class eg: Y	Total								
(A)	(B)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)		
1. Custodian/DR Holder		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2. Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Non-Promoter-Non Public Shareholding (C)-(C1)-(C2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Note :
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by

GENERATED ON :28/11/2016 NSDL : 18/11/2016 CDSL : 18/11/2016

TALWALKARS BETTER VALUE FITNESS LIMITED

CIN: L92411MH2003PLC140134

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

Tel No.: 66126300, Fax No.: 66126363

Website: www.talwalkars.net ; Email: ig@talwalkars.net



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TALWALKARS BETTER VALUE FITNESS LIMITED AT ITS MEETING HELD ON THE 14TH DAY OF MARCH 2017 EXPLAINING EFFECT OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

The proposed arrangement embodied in the Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective Shareholders was approved by the Board of Directors vide Board resolution dated 24th November, 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013 *inter alia* governing amalgamation of Companies have become operative with effect from 15th December, 2016. As per Section 232 (2)(c) of the Companies Act, 2013, a report adopted by the Directors explaining effect of arrangement and amalgamation on Equity Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders laying out in particular the Share Entitlement ratio is required to be circulated to the Shareholders. Having regard to the applicability of the aforesaid provisions, following report was placed before the Board and was duly adopted:

- For the Scheme, the Valuation Report was obtained from M/s. SSPA & Co, Independent Chartered Accountants who had recommended the following ratio in their report dated 24th November, 2016:

1 fully paid equity share of Rs. 10 each of Talwalkars Lifestyles Limited ("Resulting Company") for every 1 fully paid equity share held by the shareholders in Talwalkars Better Value Fitness Limited ("Demerged Company").

Fairness opinion on the said exchange ratio was also obtained from M/s. Inga Capital Pvt. Ltd, Merchant Banker.
- As far as the Shareholders of the Company are concerned (Promoter Shareholders as well as Non-Promoter Shareholders), the demerger of the Gym Business will maximize overall shareholder value as all the existing shareholders of the Demerged Company as on the cutoff date will be allotted one Equity Share of Rs 10/- fully paid up of the Resulting Company for every one Equity Share of Rs 10/- fully paid up in the Demerged Company. With one entity (the Demerged Company) concentrating on the healthcare and beauty services (including diet, nutrition-based, weight-loss programs like Reduce, Nuform, yoga, physiotherapy, Zumba, Zorba, and other allied lifestyle and wellness activities) and the other (Resultant Company) owning, managing and franchising gyms, fitness centers and health clubs, activities will be well defined and clear cut. This will help better management of the entities, create better value and in turn better returns for the stakeholders. As the shareholding in the resultant company will be a mirror image of the demerged company it will not affect the economic interest of non promoter shareholders and public shareholders of both the companies.
- The Scheme would not have any effect on Key Managerial Personnel of the Company as the shareholding in the resultant company will be a mirror image of the demerged company. As per the aforesaid ratio, all the existing shareholders of the Demerged Company as on the cutoff date will be allotted one Equity Share of Rs 10/- fully paid up of the Resulting Company for every one Equity Share of Rs 10/- fully paid up in the Demerged Company.

For Talwalkars Better Value Fitness Limited

Chairman of the Meeting

TALWALKARS BETTER VALUE FITNESS LIMITED		
UNAUDITED BALANCE SHEET AS AT 30TH SEPTEMBER, 2016		
₹ in Million		
PARTICULARS	Note No.	As at September 30, 2016
I. EQUITY & LIABILITIES		
1) Shareholders' Funds		
(a) Share Capital	1	297.05
(b) Reserves and Surplus	2	4,162.76
2) Non-Current Liabilities		
(a) Long Term Borrowings	3	2,864.38
(b) Deferred Tax Liabilities (Net)		268.25
(c) Other Long Term Liabilities	4	17.54
3) Current Liabilities		
(a) Trade Payables		
i) Total Outstanding dues of Micro & Small Enterprises		0.00
ii) Total Outstanding dues of Creditors other than Micro & Small Enterprises		91.24
(b) Other Current Liabilities	5	687.81
(c) Short Term Provisions	6	369.40
TOTAL		8,758.43
II. ASSETS		
1) Non-Current Assets		
(a) Fixed Assets	7	
(i) Tangible Assets		4125.88
(ii) Intangible Assets		52.46
(iii) Capital Work in Progress		1175.03
(iv) Intangible Asset under development		3.32
(b) Non-Current Investments	8	314.67
(c) Long Term Loans and Advances	9	1431.86
(d) Other Non-Current Assets	10	0.22
2) Current Assets		
(a) Current Investments	11	0.22
(b) Inventories	12	0.50
(c) Trade Receivables	13	271.45
(d) Cash and Cash Equivalents	14	955.13
(e) Short Term Loans and Advances	15	427.69
TOTAL		8,758.43

TALWALKARS BETTER VALUE FITNESS LIMITED		
UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2016		
₹ in Million		
PARTICULARS	Notes No.	For the Half Year Ended Sept 30 2016
1. REVENUE		
a. Revenue from operations	16	1,479.39
Less: Service tax		187.13
		<u>1,292.26</u>
b. Other Income	17	16.70
Total Revenue		1,308.96
2. EXPENSES		
(a) Changes in Inventories	18	-0.11
(b) Purchase of stock-in-trade	19	0.62
(c) Employee benefit expense	20	219.57
(d) Finance costs	21	80.45
(e) Depreciation and amortization expense		214.97
(f) Other expenses	22	319.11
Total Expenses		834.61
3. Profit before exceptional and extraordinary items and tax (1 - 2)		474.35
4. Exceptional Items		-
5. Profit before extraordinary items and tax (3 + 4)		474.35
6. Extraordinary Items		-
7. Profit before tax for the year (5 + 6)		474.35
8. Tax expense:		
(a) Current tax expenses for current year		145.81
9. Profit for the year from continuing operations (7 - 8)		328.54
10. Profit/(Loss) from discontinuing operations		-
11. Profit for the year (9 + 10)		<u>328.54</u>
12. Earning per equity share (of ₹ 10 each):		
(1) Basic		11.06
(2) Diluted		11.06

TALWALKARS BETTER VALUE FITNESS LIMITED
 Note 1 : Share Capital

Particulars	As at 30.09.2016	
	No.	₹ in Million
SHARE CAPITAL		
AUTHORISED:		
Equity Shares of ₹10/- each with voting rights	3,20,00,000	320.00
		320.00
ISSUED, SUBSCRIBED & PAID-UP:		
Equity Shares of ₹ 10/- each with voting rights	2,97,04,856	297.05
		297.05

Note 2 : Reserves and Surplus

Particulars	₹ in Million	
	As at 30.09.2016	
(a) Securities Premium Account		2,044.55
(b) Debenture Redemption Reserve		
Opening balance		202.88
Add: Transferred during the year		51.03
Closing Balance		253.91
(c) General Reserve		83.52
(d) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance		1,503.27
Add: Profit for the year		328.54
Less Transferred to :		
Debenture Redemption Reserve		51.03
Closing Balance		1,780.78
Total		4,162.76

Note 3 : Long Term Borrowings

Particulars	₹ in Million	
	As at 30.9.2016	
(a) Bonds/debentures		1,250.00
(b) Term loans		
From banks		1,614.38
Total		2,864.38

Note 4: Other Long Term Liabilities

Particulars	₹ in Million	
	As at 30.09.2016	
(a) Deposits		2.00
(b) Payable to subsidiary company		15.54
Total		17.54

TALWALKARS BETTER VALUE FITNESS LIMITED**Note 5 : Other Current Liabilities**

Particulars	₹ in Million
	As at 30.09.2016
(a) Current maturities of long-term debts	241.50
(b) Current maturities of finance lease obligations	3.66
(c) Current maturities of Non Convertible Debentures	250.00
(d) Other payables	
Creditors for capital goods	4.68
Statutory Dues Payable	83.43
(e) Interest accrued but not due on Non Convertible Debenture	104.54
Total	687.81

Note 6 : Short Term provisions

Particulars	₹ in Million
	As at 30.09.2016
Provisions	
Income Tax (Net of Advance tax)	359.47
Provision for CSR activities	9.93
Total	369.40

TALWALKARS BETTER VALUE FITNESS LIMITED
Note 7 : Fixed Assets

₹ in Million.

Description	Gross Block			Accumulated Depreciation / Amortization			Net Block As at 30-Sep-16	
	As at 1-Apr-16	Additions	Deductions	As at 30-Sep-16	As at 1-Apr-16	For the Year		On Deductions
Tangible Assets								
i) Buildings	524.85	-	-	524.85	36.32	3.92	-	40.24
ii) Gym Equipments	1,286.24	4.57	7.79	1,286.02	328.69	39.17	3.34	364.52
iii) Furniture & Fittings	2,636.68	33.52	1.37	2,668.83	662.77	98.65	0.60	760.81
iv) Computers	293.60	1.58	-	295.18	83.35	24.36	-	107.72
v) Air-Conditioners	276.38	3.75	0.89	279.25	59.30	7.77	0.40	66.67
vi) Electrical fittings	416.99	4.06	0.81	420.24	119.51	17.78	0.63	136.66
vii) Office Equipments	230.62	4.08	0.06	234.64	89.64	17.64	0.05	107.23
viii) Vehicles Owned	0.94	-	-	0.94	0.17	0.01	-	0.18
ix) Vehicles Taken under finance lease	15.95	-	-	15.95	11.00	1.98	-	12.98
Total	5,682.25	51.56	10.92	5,722.90	1,390.76	211.28	5.02	1,597.01
Intangible Assets								
i) Goodwill	78.27	-	-	78.27	24.41	1.40	-	25.81
Total	78.27	-	-	78.27	24.41	1.40	-	25.81
Capital Work-In-Progress	592.65	582.38	-	1,175.03	-	-	-	1,175.03
Total	6,853.17	1,166.31	10.92	7,020.40	1,415.57	212.68	5.02	1,648.65
Intangible Asset under development	3.32	-	-	3.32	-	-	-	3.32
Total	6,856.49	1,166.31	10.92	7,023.72	1,415.57	212.68	5.02	1,651.97

TALWALKARS BETTER VALUE FITNESS LIMITED

Note 8 : Non Current Investments

₹ in Million

Particulars	As at 30.09.2016
Non Trade Investments (Valued at cost unless stated otherwise)	
Investment in Equity Instruments	
Unquoted	
i) Investment	
a) Splendor Fitness Private Limited (formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) [1,40,000 (Previous year 1,40,000) Equity Shares of ₹100/- each fully paid]	50.00
ii) Investment in Subsidiaries :	
a) Denovo Enterprises Private Limited [50,100(Previous year 50,100) Equity Shares of ₹100/- each fully paid]	5.01
b) Aspire Fitness Private Limited [50,001 (Previous year 50,001) Equity Shares of ₹100/- each fully paid]	5.00
c) Jyotsna Fitness Pvt.Ltd [1,001 (Previous year 1,001)Equity Shares of ₹100/-each fully paid]	0.10
d) Talwalkars Club Pvt.Ltd [10,000 (Previous year 10,000)Equity Shares of ₹10/-each fully paid]	0.10
e)Inshape Health & Fitnez Pvt. Ltd. [4,08,000 Equity Shares of ₹13.67/-each fully paid]	5.58
f) Talwalkars Club Systems Pvt.Ltd [10,000 Equity Shares of ₹10/-each fully paid]	0.10
g) PWG Fitness Private Limited Investment	0.10
iii) Investment in Associate :	
a)Power World Gym Ltd [42108459 Equity Shares of ₹1.16/(LKR Rs.2.47/-)-each fully paid]	48.68
ii) Share application money (Pending allotment)	200.00
Total	314.67

Note 9 : Long Term Loans and Advances

₹ in Million

Particulars	As at 30.09.2016
(a) Capital Advances	
Unsecured, considered good	430.39
(b) Security Deposits	275.42
Unsecured, considered good	
(c) Loans & Advance to Subsidiary Companies	720.19
(d) Minimum Alternate Tax credit entitlement	5.86
Total	1,431.86

TALWALKARS BETTER VALUE FITNESS LIMITED

Note 10 : Other non-current assets ₹ in Million

Particulars	As at 30.09.2016
Fixed deposit with Original maturity of more than 12 months(Given a security towards the bank gurantees obtained from Union Bank of India)	0.22
Total	0.22

Note 11 : Current Investment

₹ in Million

Particulars	As at 30.09.2016	
	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
Total	177.00	0.22

Note 12 : Inventories

₹ in Million

Particulars	As at 30.09.2016
Stock in trade (Acquired for trading) (Valued at lower of cost and net realizable value)	0.50
Total	0.50

Note 13: Trade Receivables

₹ in Million

Particulars	As at 30.09.2016
Unsecured, considered good	
a) Others	271.45
Total	271.45

Note 14 : Cash and Cash Equivalents

₹ in Million

Particulars	As at 30.09.2016
a) Cash on Hand	12.43
b) Balances with banks	942.7
Total	955.13

TALWALKARS BETTER VALUE FITNESS LIMITED**Note 15 : Short Term loans and advances**

₹ in Million

Particulars	As at 30.09.2016
a) Loans and advances to related parties	152.97
b) Others	
i) Advances recoverable in Cash or Kind for value to be received	265.99
ii) Prepaid expenses	4.57
iii) Input credit receivable	4.16
Total	427.69

TALWALKARS BETTER VALUE FITNESS LIMITED
 NOTES TO THE STATEMENT OF PROFIT AND LOSS:

₹ in Million

Note 16	Particulars	Half Year Ended 30.09.2016
	Revenue from Operations	
	(a) Gross fees including service tax	1,427.90
	(b) Franchisee fees including service tax	9.74
	(c) Management and consultancy fees including service tax	0.07
	(d) Commission	0.62
	(e) Input credit service tax	41.06
	(f) Sales (retail)	-
	Total	1,479.39
Note 17	Particulars	Half Year Ended 30.09.2016
	Other Income	
	(a) Interest on term deposits	14.72
	(b) Sundry credit balances no longer payable	0.29
	(c) Other non operating income	1.68
	(d) Loss on foreign currency transactions and translation	0.01
	Total	16.70
Note 18	Particulars	Half Year Ended 30.09.2016
	Changes in Inventories	
	Inventories at the beginning of the year	
	Traded goods	0.39
	Inventories at the end of the year	
	Traded goods	0.50
	(Increase)/ Decrease	(0.11)
Note 19	Particulars	Half Year Ended 30.09.2016
	Purchase of Stock-in-trade	
	Purchase of goods for merchandise	0.62
	Total	0.62
Note 20	Particulars	Half Year Ended 30.09.2016
	Employee Benefit Expenses	
	(a) Salaries, wages and bonus	10.26
	(b) Contract fees for labour/security/housekeeping	200.91
	(c) Directors' remuneration	8.40
	Total	219.57

TALWALKARS BETTER VALUE FITNESS LIMITED
NOTES TO THE STATEMENT OF PROFIT AND LOSS:

₹ in Million

Note 21

Particulars	Half Year Ended 30.09.2016
Finance Costs	
(a) Interest expenses	75.15
(b) Other borrowing costs	5.30
Total	80.45

Note 22

Particulars	Half Year Ended 30.09.2016
Other Expenses	
(a) Administrative & Other Expenses	
Internal audit fees	1.28
Electricity and fuel expenses	35.18
Insurance charges	4.75
Printing and stationery	1.50
Professional fees	9.17
Rates and taxes	3.12
Interest on late payment of statutory dues	2.31
Rent	190.58
Repairs and maintenance	9.68
Telephone expenses	3.11
Travelling and conveyance expenses	1.72
Water charges	2.04
Other Expenses	7.86
Asset management fees	31.31
Directors' sitting fees	0.25
Total (a)	303.86
(b) Selling & Marketing Cost	
Advertising expenses	13.46
Business promotion expenses	1.79
Total (b)	15.25
Total (a+b)	319.11

Lakdawala & Associates

CHARTERED ACCOUNTANTS

Ketan P. Lakdawala B.Com., D.F.M., F.G.A.

Annexure G – II

2888 0861

9820283549

klakdawala@vsnl.net

D-14, Bansinagar, W.E. Highway, Borivali (E), Mumbai - 400 086.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TALWALKARS LIFESTYLES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Talwalkars Lifestyles Limited ("the Company"), which comprise the Balance Sheet as at September 30, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the period 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 September 30, 2016, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

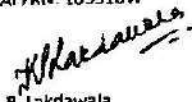
1. This Report does not include a Statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, *According to the information and explanations given to us, the company is in a process of starting its operation.* Therefore, the said Order is not applicable for the period under consideration to the Company.
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.
 - (e) Balances subject to confirmation except bank balances.
 - (f) On the basis of the written representations received from the directors as on September 30, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on



September 30, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) According to the information and explanations given to us, the company is in a process of starting its operation and there are no significant financial transactions. Hence, the report on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not prepared for the period under consideration.
- (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 Auditors) Rules, 2014, in our opinion and to the best of Our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The provisions relating to amounts which were required to be transferred to the Investor Education and Protection Fund, for the period under consideration, by the Company are not applicable to the company.

For Lakdawala & Associates
Chartered Accountants
ICAI FRN: 105518W


K. P. Lakdawala
Proprietor
Membership No. 035633



Mumbai, 10 NOV 2016

Talwalkars Lifestyles Limited
Balance Sheet as at 30th September, 2016

Particulars	Notes No.	As at Sept. 30, 2016		
I. EQUITY & LIABILITIES				
1) Shareholders' Funds				
(a) Share Capital	2	100,000		
(b) Reserves and Surplus	3	-		
		100,000		
2) Current Liabilities				
(a) Other Current Liabilities	4	26,450		
Total		126,450		
II. ASSETS				
1) Non Current Assets				
(a) Other Assets	5	26,628		
2) Current Assets				
(a) Cash and cash equivalents	6	99,822		
		126,450		
Total		126,450		
See accompanying notes forming part of the financial statements		1		
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>As per our report of even date For Lakdawala & Associates Chartered Accountants ICAI FRN : 105518W</p> <p style="text-align: right;"><i>K. P. Lakdawala</i> K. P. Lakdawala Proprietor Membership no. : 03563</p> <p style="text-align: right;">Mumbai 10 NOV 2016</p> </td> <td style="width: 50%; vertical-align: top; text-align: center;"> <p>For and on behalf of the Board of Directors Talwalkars Lifestyles Limited</p> <p style="text-align: center;"><i>Harsha Bhatkal</i> Harsha Bhatkal President Talwalkar Director</p> <p style="text-align: center;"><i>Harsha Bhatkal</i> Harsha Bhatkal Director</p> </td> </tr> </table>			<p>As per our report of even date For Lakdawala & Associates Chartered Accountants ICAI FRN : 105518W</p> <p style="text-align: right;"><i>K. P. Lakdawala</i> K. P. Lakdawala Proprietor Membership no. : 03563</p> <p style="text-align: right;">Mumbai 10 NOV 2016</p>	<p>For and on behalf of the Board of Directors Talwalkars Lifestyles Limited</p> <p style="text-align: center;"><i>Harsha Bhatkal</i> Harsha Bhatkal President Talwalkar Director</p> <p style="text-align: center;"><i>Harsha Bhatkal</i> Harsha Bhatkal Director</p>
<p>As per our report of even date For Lakdawala & Associates Chartered Accountants ICAI FRN : 105518W</p> <p style="text-align: right;"><i>K. P. Lakdawala</i> K. P. Lakdawala Proprietor Membership no. : 03563</p> <p style="text-align: right;">Mumbai 10 NOV 2016</p>	<p>For and on behalf of the Board of Directors Talwalkars Lifestyles Limited</p> <p style="text-align: center;"><i>Harsha Bhatkal</i> Harsha Bhatkal President Talwalkar Director</p> <p style="text-align: center;"><i>Harsha Bhatkal</i> Harsha Bhatkal Director</p>			

Talwalkars Lifestyles Limited
Statement of Profit & Loss Account for period
from April 23, 2016 to September 30, 2016

Particulars	Note No.	Period ended Sept. 30, 2016
1. Revenue from Operations		-
Total Revenue		-
2. Expenses		
Finance Costs		-
Other expenses		-
Total Expenses		-
3. Profit / (Loss) before exceptional and extraordinary items and tax (1-2)		-
4. Exceptional Items		-
5. Profit / (Loss) before extraordinary items and tax (3 - 4)		-
6. Extra Ordinary Items		-
7. Profit / (Loss) before tax (5 - 6)		-
8. Tax expense:		
(a) Current tax		-
(b) Deferred tax		-
9. Profit/(Loss) for the period (7 - 8)		-
10. Earning per equity share (of Rs 10 each):		
(1) Basic		-
(2) Diluted		-
See accompanying notes forming part of the financial statements	1	
<p>As per our report of even date For Lakdawala & Associates Chartered Accountants ICAI FRN : 105518W</p> <p style="text-align: right;">For and on behalf of the Board of Directors Talwalkars Lifestyles Limited</p> <p><i>K. P. Lakdawala</i> K. P. Lakdawala Proprietor Membership no. : 035633</p> <p style="text-align: center;"><i>Shashant Talwalkar</i> Shashant Talwalkar Director</p> <p style="text-align: right;"><i>Harsha Bhatkal</i> Harsha Bhatkal Director</p> <p>Mumbai 10 NOV 2016</p>		

Talwalkars Lifestyles Limited	
Cash Flow Statement For half year ended September 30, 2016	
(Amount in Rs.)	
Particulars	Period Ended 30.09.2016
A CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit Before Taxes	-
Financial Costs (Net)	-
Operating Profit Before Working Capital Changes	-
(Increase)/Decrease in Non-Current Assets	(26,628)
Increase/(Decrease) in Trade and other payables	26,450
	(178)
Cash Generated From / (Used In) Operations	(178)
Direct Taxes Paid	-
Net Cash Generated From / (Used In) Operating Activities	(178)
B CASH FLOW FROM INVESTING ACTIVITIES:	
Capital Advance	-
Net Cash Used in Investing Activities	-
C CASH FLOW FROM FINANCING ACTIVITIES:	
Share Capital Issue proceeds	100,000
Loan Borrowed	-
Net Cash Generated From Financing Activities	100,000
Net Increase in Cash And Cash Equivalents (A+B+C)	99,822
Cash & Cash Equivalents At The Beginning Of The Period	-
Cash & Bank Balances	99,822
Cash & Cash Equivalents At The End Of The Period	99,822

<p>As per our report of even date For Lakdawala & Associates Chartered Accountants (CAI PRN : 105518W)</p> <p><i>K. P. Lakdawala</i> K. P. Lakdawala Proprietor Membership no. : 035633</p> <p>Mumbai 10 NOV 2016</p>	<p style="text-align: right;">For and on behalf of the Board of Directors Talwalkars Lifestyles Limited</p> <p style="text-align: center;"><i>Kashant Talwalkar</i> Kashant Talwalkar Director</p> <p style="text-align: right;"><i>Harsha Bhatkal</i> Harsha Bhatkal Director</p>
---	--

CORPORATE INFORMATION

- Talwalkars Lifestyles Limited (the 'Company') is a limited company domiciled in India and incorporated under the Companies Act, 1956. The Corporate Identity Number (CIN) of the Company is U93090MH2016PLC280127.
- The Company is in the business of health club by providing all kinds of services in fitness including gyms, spas, aerobics, health counseling, yoga, steam and sauna bath, jacuzzi, physiotherapy service and to buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, clothing items and fitness equipments and product and consultancy and franchise services.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements of the Company are prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of such classification.

The amounts in the notes and the accompanying financial statements have been stated in and rounded off to nearest Indian Rupee.

(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.

(c) 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.



Talwalkars Lifestyles Limited
Notes to Financial Statements

(d) 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. Depreciation is not provided on Land.

(e) 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.

(f) Revenue Recognition

Income from fees and subscriptions, recorded net of discounts and rebates are recognized as per the membership arrangement/scheme.

The costs relating to rendering of these services being unascertainable are charged off to revenue in the year in which they become legally payable.

Interest income is recognized on a time-proportion basis taking into account the amount outstanding and the rate applicable.

(g) 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.

(h) 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. However, as there are no employees on the payroll of the Company, therefore, no retirement benefits have been provided.

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



Talwalkars Lifestyles Limited
Notes to Financial Statements

(i) Borrowing Cost

Borrowing cost incurred for qualifying assets is capitalized up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset. In determining the amount of borrowing cost eligible for capitalization during a period, any income earned on the temporary investment on those borrowings is deducted from the borrowing cost incurred.

Other Borrowing costs are charged off as revenue expenditure in the year in which they are incurred.

(ii) 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 thereafter adjusted in the cost of fixed assets specifically financed by the borrowings to which the exchange differences relate.

(k) Earnings Per Share

Basic earnings per share

Basic earning 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.

(l) 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 recognized 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.

(m) 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.

(n) Investments

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



Talwalkars Lifestyles Limited
Notes to Financial Statements

Note 2 : Share Capital

PARTICULARS	As at Sept. 30, 2016	As at Sept. 30, 2016	Period ended Mar. 31, 2016
	No.	Amount	No.
Authorised:			
10,000 Equity Shares of Rs. 10/- each	10,000	100,000	10,000
	10,000	100,000	10,000
Issued, Subscribed & Paid-up:			
10,000 Equity Shares of Rs. 10/- each	10,000	100,000	10,000
	10,000	100,000	10,000

i) Reconciliation of Number and Amount of Shares at the beginning and at the end

Details	As at Sept. 30, 2016
	No.
Fully Paid up Shares Outstanding as at beginning	10,000
Fully paid up shares issued during the year	10,000
Fully paid up shares Outstanding as at year end	10,000

(i) Details of Shares held by each shareholder holding more than 5% shares

Details	As at Sept. 30, 2016
	No. of shares
Equity Shares of Rs.10/- each fully paid up Talwalkars Better Value Fitness Ltd (Holding Company)	9,994

Note 3 : Reserves and Surplus

Particulars	As at Sept. 30, 2016
Surplus/(Debit) balance in Statement of Profit and Loss	
Opening balance	
Add: Profit / (Loss) for the year	
Closing Balance	

Note 4 : Other Current Liabilities

Particulars	As at Sept. 30, 2016
Others	26,450
Total	26,450

Note 5 : Non Current Asset

Particulars	As at Sept. 30, 2016
Unamortised Preliminary Expenses	26,628
Total	26,628

Note 6 : Cash & cash equivalents

Particulars	As at Sept. 30, 2016
Balance with Bank	
- In Current account	99,822
Total	99,822



Talwalkars Lifestyles Limited
Notes to Financial Statements

Note 7: Contingent Liabilities: Nil

Note 8: 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.

Note 9: Related Party Disclosures

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

List of Related Parties:

Key Management Personnel

- Mr. Prashant Talwalkar (Director)
- Mr. Harsha Bhatkal (Director)
- Mr. Girish Madhukar Talwalkar (Director)

Holding Company

- Talwalkars Better Value Fitness Limited

Fellow Subsidiaries

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

Subsidiary of Fellow Subsidiary

- Equinox Wellness Private Limited

Associates of Holding Company

- Power World Gyms Limited

Enterprises over which Key Management Personnel exercise significant influence:

- Better Value Leasing & Finance Limited
- Better Value Properties Private Limited
- Gawande Consultants Private Limited
- RZ Infrastructure Private Limited
- RZ Spa Systems
- Talwalkars
- Talwalkars Spa System
- Talwalkars Health & Leisure
- Talwalkars Health Club
- Talwalkars Health Commune
- Talwalkars Health Complex
- Talwalkars Nutrition Centre



Talwalkars Lifestyles Limited
Notes to Financial Statements

Transactions with the Related Parties during the year and the status of outstanding balances as on September 30, 2016

Name of Related Party	Nature of Transaction	Year Ended September 30, 2016
Talwalkars Better Value Fitness Limited	Share Capital	1,00,000

Balances as on September 30, 2016

Particulars	As on September 30, 2016
Loan Liability	
Talwalkars Better Value Fitness Limited (Holding Co.)	26,450

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

Note 10: Expenditure in Foreign Currency: There is no expenditure in foreign currency.

Note 11: Earnings in Foreign Currency: There is no earning in foreign currency.

Note 12: Imports calculated on CIF Basis: There is no Import.

Note 13: Others

i. On the basis of information available with the company, the Company doesn't owe any amount to the industries covered under Micro, Small & Medium Enterprises Development Act, 2006.

ii. The balances are subject to confirmation except bank balances.

iii. This is the first accounting period of the Company.

As per our report of even date attached

For Lakdawala & Associates
 Chartered Accountants
 ICAI FRN: 105518W

K. P. Lakdawala
 K. P. Lakdawala
 Proprietor
 Membership No. 035633

Mumbai 10 NOV 2016



For Talwalkars Lifestyles Limited

Ashant Talwalkar
 Ashant Talwalkar
 Director



Harsha Bhatkal
 Harsha Bhatkal
 Director

Mumbai

Talwalkars Better Value Fitness Ltd.
 Regd. Off: 801/813, Mahatma Chambers, 22, Bhamburda Road, Mumbai 400 026.
 Tel. 6612 6300. Fax: 6612 6363. Website: www.talwalkars.net CIN: L82411MH2003PLC140134

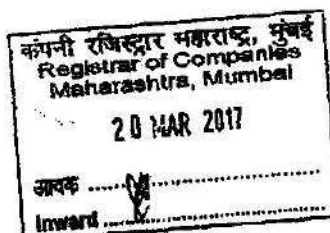


FORM NO. CAA.3
 [Pursuant to section 230(5) and rule 8]

In the matter of Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("The Demerged Company") and Talwalkars Lifestyles Limited ("The Resulting Company") and their respective Shareholders

NOTICE TO CENTRAL GOVERNMENT, REGULATORY AUTHORITIES

To,
 The Registrar of Companies
 100, Everest, Marine Drive
 Mumbai - 400002
 Phone: 022-22812627/22020295/22846954
 Fax: 022-22811977
 roc.mumbai@mca.gov.in



18th March, 2017

NOTICE UNDER SECTION 230(5) OF THE COMPANIES ACT, 2013

Notice is hereby given in pursuance, of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the National Company Law Tribunal, Mumbai Bench, by an order made on 9th March 2017 passed in Company Application No. 242 of 2017, under section 230-232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 inter alia, with regard to the matter of Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("The First Applicant/Demerged Company") and Talwalkars Lifestyles Limited ("The Second Applicant/Resulting Company") and their respective Shareholders (hereinafter referred to as the 'Scheme'):

1. Mr. Girish Talwalkar, Chairman of the First Applicant Company, and failing him, Mr. Madhukar Talwalkar, Director of the First Applicant Company and failing him Mr. Vinayak Gawande, also Director of the First Applicant Company, is appointed as Chairman of the meeting of the shareholders of the First Applicant Company to be held at 11.30 a.m. on Thursday, April 27th, 2017 at the M.C. Ghis 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 the quorum for the said equity shareholders' meeting is fixed as prescribed under Section 103 of the Companies Act, 2013.



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: L32411MH2003PLC140134



2. The Chairman shall permit the shareholders to be present in person or through their proxy in the said meetings and cause the notice of the meeting to be published in "Free Press Journal" English daily published from Mumbai and "Navshakti" Marathi daily published from Mumbai.

A copy of the notice and Scheme of Arrangement are enclosed

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the National Company Law Tribunal, Bench, at Mumbai (Hon'ble Tribunal) within thirty (30) days from the date of receipt of this notice. The address of the Hon'ble Tribunal is 6th Floor, Fountain Telecom, Building 1, Mahatma Gandhi Road, Fort, Mumbai, Maharashtra 400001. Copy of the representation may simultaneously be sent to M/s. Talwalkars Better Value Fitness Limited at its registered office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai- 400026.

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed scheme.

Please note that with effect from 15th December, 2016, all proceedings relating to compromise, arrangements and reconstruction pending before the High Court are transferred to National Company Law Tribunal.

For M/s. Talwalkars Better Value Fitness Limited


Avanti Sankav
Company Secretary



Dated this 18th day of March 2017

Place: Mumbai

Enclosures: i) Copy of notice with statement as required under section 230(3);
ii) Copy of Scheme of Arrangement

Talwalkars Lifestyles Limited

Registered Office: 801-813, Mahalaxmi Chambers, 22, Bhambhai Desai Road, Mumbai - 400026,
CIN: U93090MH2015PLC280127; Tel: 6612 6300; Fax: 6612 6363

FORM NO. CAA-3
[Pursuant to section 230(5) and rule 8]

In the matter of Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("The Demerged Company") and Talwalkars Lifestyles Limited ("The Resulting Company") and their respective Shareholders

NOTICE TO CENTRAL GOVERNMENT, REGULATORY AUTHORITIES

To,
The Registrar of Companies
100, Everest, Marine Drive
Mumbai - 400002
Phone: 022-22812621/22020295/22846954
Fax: 022-22811977
roc.mumbai@moa.gov.in



NOTICE UNDER SECTION 230(5) OF THE COMPANIES ACT, 2013

Notice is hereby given in pursuance, of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the National Company Law Tribunal, Mumbai Bench, by an order made on 9th March 2017 passed in Company Application No. 242 of 2017, under section 230-232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 inter alia, with regard to the matter of Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("The First Applicant/Demerged Company") and Talwalkars Lifestyles Limited ("The Second Applicant/Resulting Company") and their respective Shareholders. (hereinafter referred to as the 'Scheme'):

1. Mr. Girish Talwalkar, Director of the Second Applicant Company, and failing him, Mr. Prahsant Talwalkar, Director of the Second Applicant Company and failing him Mr. Harsha Bhatkal, also Director of the Second Applicant Company, is appointed as Chairman of the meeting of the shareholders of the Second Applicant Company to be held at 2.00 p.m. on Thursday, April 27th, 2017 at the Indian Textile Accessories & Machinery Manufacturer's Association, Bhoglal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai - 400 001 and the quorum for the said equity



Talwalkars Lifestyles Limited

Registered Office: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai - 400026.
CIN: U93090MH2016PLC280127; Tel.: 6612 6300; Fax: 6612 6363

shareholders' meeting is fixed as prescribed under Section 103 of the Companies Act, 2013.

2. The Chairman shall permit the shareholders to be present in person or through their proxy in the said meetings and cause the notice of the meeting to be published in "Free Press Journal" English daily published from Mumbai and "Navshakti" Marathi daily published from Mumbai.

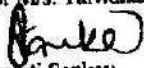
A copy of the notice and Scheme of Arrangement are enclosed.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the National Company Law Tribunal, Bench, at Mumbai (Hon'ble Tribunal) within thirty (30) days from the date of receipt of this notice. The address of the Hon'ble Tribunal is 6th Floor, Fountain Telecom, Building 1, Mahatma Gandhi Road, Fort, Mumbai, Maharashtra 400001. Copy of the representation may simultaneously be sent to M/s. Talwalkars Better Value Fitness Limited at its registered office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai- 400026.

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed scheme.

Please note that with effect from 15th December, 2016, all proceedings relating to compromise, arrangements and reconstruction pending before the High Court are transferred to National Company Law Tribunal.

For M/s. Talwalkars Lifestyles Limited


Avanti Sankav
Authorized Signatory

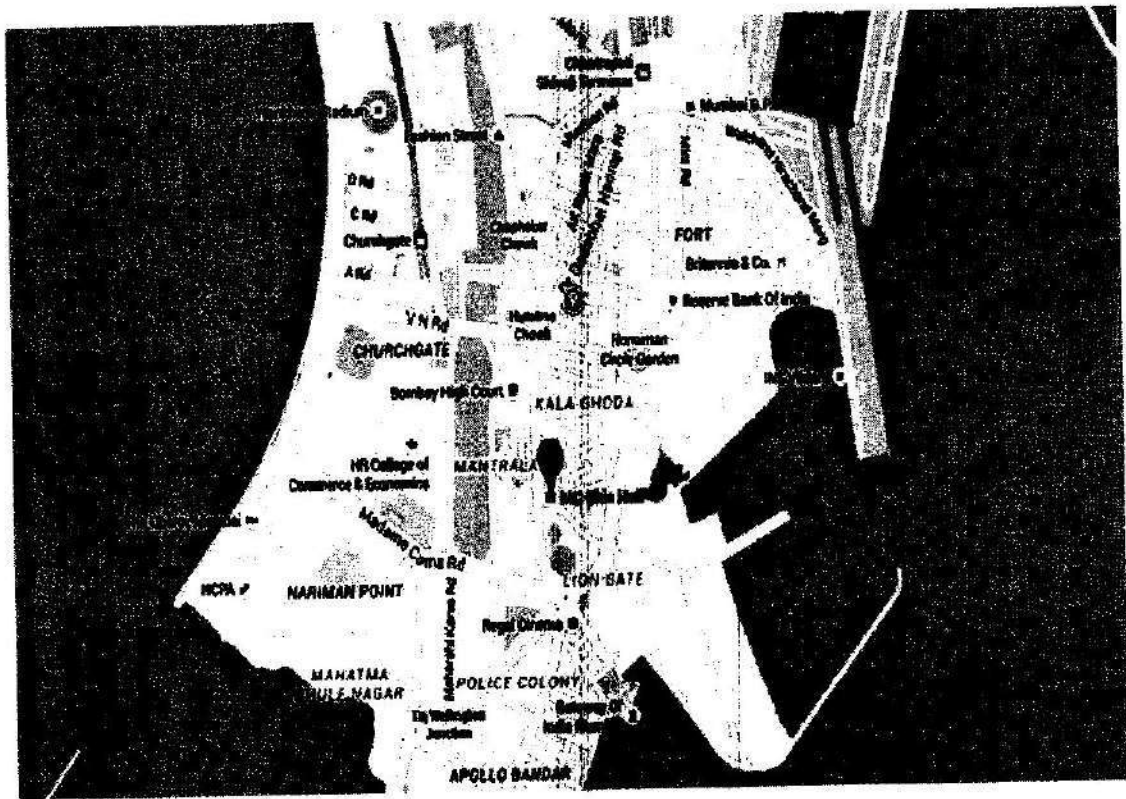


Dated this 18th day of March 2017

Place: Mumbai

Enclosures: i) Copy of notice with statement as required under section 230(3);
ii) Copy of Scheme of Arrangement

This page has been intentionally kept blank



This page has been intentionally kept blank

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH**

COMPANY APPLICATION NO. 242 OF 2017

In the matter of the Companies Act 2013:

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013:

AND

In the matter of Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("The Demerged Company") and Talwalkars Lifestyles Limited ("The Resulting Company") and their respective Shareholders

TALWALKARS BETTER VALUE FITNESS LIMITED

(CIN: L92411MH2003PLC140134)

A listed Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai- 400026.

}
}
} Applicant Company

FORM OF PROXY

Name: _____	
Address: _____	
E-mail ID : _____	
Folio No./ Client ID No.: _____	DP ID No.: _____

I/We, being the member(s) of _____ shares of Talwalkars Better Value Fitness Limited (the above named Applicant Company) do hereby appoint

1. Name	E-mail ID
Address	Signature
Or failing him / her	
2. Name	E-mail ID
Address	Signature
Or failing him / her	
3. Name	E-mail ID
Address	Signature

as my / our proxy, to attend and vote (on a poll) for me / us and on my / our behalf at the meeting of the Equity Shareholders of the Company to be held on Thursday, 27th April 2017 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 at any adjournment thereof in respect of such resolution indicated below:

SPECIAL BUSINESS :

Resolution	Vote (Optional * see note 3)	
	FOR	AGAINST
To approve the proposed arrangement embodied in the Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective Shareholders		

Signed this ____ day of _____, 2017

Signature of shareholder _____

Signature of Proxy holder(s) _____

Please Affix
Revenue
Stamp

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice.
3. It is optional to put a '3' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'FOR' or 'AGAINST' column blank against the resolution, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.
5. In case the shareholder informs his Assent / Dissent to the resolution by way of this Proxy Form and the Proxy also votes at the Court Convened Meeting then the voting done by the shareholder on this Proxy Form will prevail.

This page has been intentionally kept blank

TALWALKARS BETTER VALUE FITNESS LIMITED

CIN: L92411MH2003PLC140134

Registered Office: 801-813, Mahalaxmi Chambers,

22, Bhulabhai Desai Road, Mumbai- 400026

Tel No.: 66126300, Fax No.: 66126363

Website: www.talwalkars.net ; Email: lg@talwalkars.net



ATTENDANCE SLIP

MEETING OF EQUITY SHAREHOLDERS ON 27TH APRIL, 2017 AT 11.30 A.M.

Registered Folio No. / DP ID and Client ID	
Name and address of the Equity Shareholder	
Name of the Joint Equity Shareholder(s)	
No. of shares held	

I/We hereby record my / our presence at the Meeting of the Equity Shareholders of the TALWALKARS BETTER VALUE FITNESS LIMITED convened pursuant to order dated 9th March 2017 of the Mumbai Bench of the National Company Law Tribunal 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, on Thursday, 27th April 2017 at 11.30 a.m.

Shareholder's
Folio / DP ID & Client ID

Shareholder's /Proxy's
name in Block Letters

Shareholder's /
Proxy's Signature

Signature of the Equity Shareholder

This page has been intentionally kept blank



TALWALKARS BETTER VALUE FITNESS LIMITED

CIN: L92411MH2003PLC140134

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

Tel No.: 66126300, **Fax No.:** 66126363, **Website:** www.talwalkars.net; **Email:** ig@talwalkars.net

Pursuant to Section 110 and 230(4) of the Companies Act, 2013 read with Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

POSTAL BALLOT FORM

Serial No.:

Name and Registered Address of Sole /First named Shareholder(s) (In Block letters)	
Name(s) of the Joint Shareholder(s) if any	
Folio No. / DPID No. * / Client ID No.* (*Applicable to shareholders holding shares in dematerialised form)	
Number of Shares held	

I / We hereby exercise my / our vote in respect of the following Resolution as Special Business stated in the Notice of Postal Ballot and E-voting of the Company dated 14th March, 2017, by recording my / our consent or dissent to the said Resolution by placing the tick (✓) mark in the appropriate box below :

Resolution	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
To approve the proposed arrangement embodied in the Scheme of Arrangement between Talwalkars Better Value Fitness Limited and Talwalkars Lifestyles Limited and their respective Shareholders.			

Place:

Date :

(Signature of the Shareholder)

ELECTRONIC VOTING PARTICULAR

EVSN (Electronic Voting Sequence Number)	*Default PAN
170316001	

* Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.

Note: 1. Please read the instructions printed overleaf carefully before exercising your vote.
2. Last date of receipt of Postal Ballot Form on or before 26th April, 2017 @ 5.00 pm.

INSTRUCTIONS

1. Please read instructions for e-voting as mentioned in the Notice of Postal Ballot and E-voting dated 14th March, 2017 before exercising the votes.
2. Shareholder(s) who do not have access to e-voting facility, can exercise their votes by filling this Postal Ballot Form pursuant to Section 110 and 230(4) of the Companies Act, 2013 read with Rule 9 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Shareholders may fill up the Postal Ballot Form printed overleaf (no other form or photocopy of the form will be permitted) and submit the same in the attached self-addressed business reply envelope to Mr. Bharat Upadhyay, Practicing Company Secretary (the Scrutinizer), C/o Link India India Pvt. Ltd., (Unit: Talwalkars Better Value Fitness Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, so as to reach **by 5.00 PM on 26th April, 2017**. Postage will be borne and paid by the Company. However, envelopes containing postal ballot, if sent by courier / registered post at the expenses of the shareholder will also be accepted.

3. This Postal Ballot Form should be completed and signed by the Members (as per the specimen signature registered with the Company / Depositories). In case of joint holding, this Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder.
4. The right of voting by Postal Ballot Form shall not be exercised by a Proxy.
5. In case the shares are held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
6. A Shareholder can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 10th March, 2017.
8. There will be only one Postal Ballot Form for every Folio / DP-Client ID irrespective of number of joint shareholder(s).
9. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Papers will be rejected. The decision of the Scrutinizer on the validity of the Postal Ballot Form will be final.
10. The Scrutinizer will submit his report to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of the conclusion of the Postal Ballot. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.talwalkars.net and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited/National Stock Exchange of India Limited.
11. A Member may request for a Duplicate Postal Ballot Form from the Company / Registrar, if so required however, the duly filled in Duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified in point no. 2.