

TALWALKARS BETTER VALUE FITNESS LTD

ANNUAL ACCOUNTS

2010-11

AUDITORS' REPORT

TO THE MEMBERS OF TALWALKARS BETTER VALUE FITNESS LIMITED

1. We have audited the attached Balance Sheet of **TALWALKARS BETTER VALUE FITNESS LIMITED** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (a) We have 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 appears from our examination of the books;
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.



- (e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the other notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : Mumbai
Dated: June 14, 2011



For SARAF GURKAR & ASSOCIATES

Chartered Accountants

FRN : 126518W

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S. L. Saraf

Partner

Membership No. 030866

**ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS OF TALWALKARS
BETTER VALUE FITNESS LIMITED FOR THE YEAR ENDED 31ST MARCH 2011**

(Referred to in Paragraph (3) of the above Report)

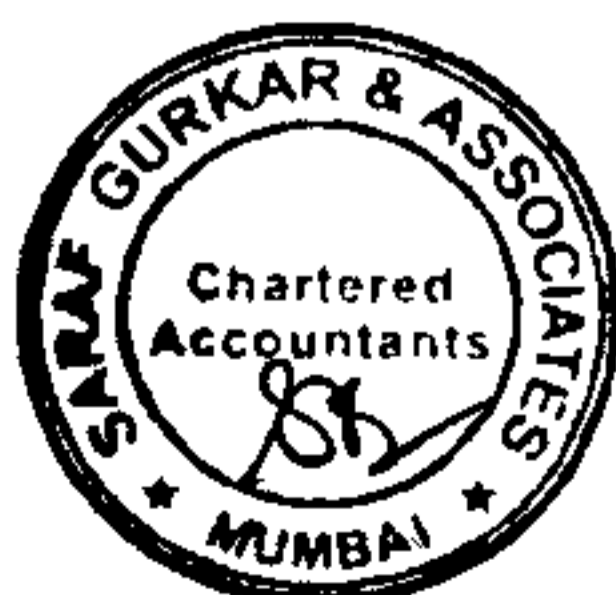
1. Fixed Assets :

- (a) The Company is in the process of re-compiling its fixed asset register with a view towards reflecting full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, physical verification of fixed assets has been carried out by the Management at most of the branches in accordance with a program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such physical verification as informed by the management. In view of the fact that the fixed asset register is in the process of re-compilation, the management has informed us that discrepancies, if any, arising between the assets verified and the books and records would be dealt with in the year in which such re-compilation of the register is completed
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

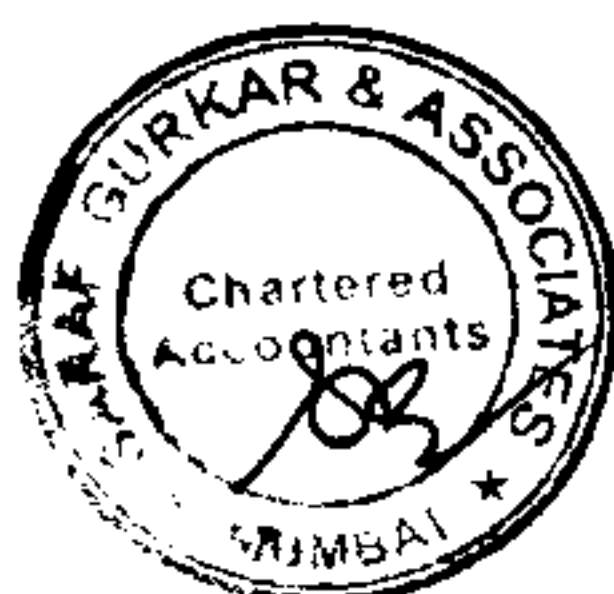
2. The Company is a service Company primarily rendering services in respect of health and fitness centres. Accordingly it does not hold any inventory. Thus, the provisions of Clause 4(ii) are not applicable to the company for the year under review.

3. Loans :

- (a) The Company has granted loans to its subsidiary Company listed in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the year in respect of the said loans was Rs 75 Lacs and at the year end the balance outstanding of the said loans taken was Rs. 16.17 Lacs. Other than the above, the Company has not granted any loans, secured or unsecured to companies, parties or firms covered in the register maintained u/s.301 of the Act.
- (b) In our opinion, prima facie, the interest and other terms and conditions of the aforesaid loan granted are not prejudicial to the interest of the Company.



- (c) In case of the loan granted to the subsidiary Company listed in the register maintained u/s.301, the borrower has been regular in the payment of interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loan is repayable on demand. Accordingly paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (d) There are no overdue amounts of more than rupees one lacs in respect of the loan granted to the subsidiary Company.
- (e) The Company has taken unsecured loans from 9 companies listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of the said loans was Rs 2663.72 Lacs and at the year end the balance outstanding of the said loans taken was Rs. 530.83 Lacs. Other than the above, the Company has not taken any loans, secured or unsecured to companies, parties or firms covered in the register maintained u/s.301 of the Act.
- (f) In our opinion, prima facie, the interest and other terms and conditions of the aforesaid loan taken from the Companies listed in the register maintained under Section 301 are not prejudicial to the interest of the Company.
- (g) As per the information and explanations furnished to us, for loans taken as above, repayment terms of principal amount has not been stipulated /fixed as yet and the loans are repayable on demand. The Company has been regular in the payment of interest. Accordingly paragraph 4(iii)(g) of the Order is not applicable to the Company in respect of repayment of the principal amount.
4. In our opinion and based on the information and explanations given to us, the internal control procedures need to be strengthened to be commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. Transactions :
- (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.



- (b) Based on the information and explanations given to us, in our opinion these transactions have been made at reasonable prices having regard to the prevailing market prices at the relevant time of transactions.
6. The Company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules made under Companies (Acceptance of Deposits) Rules, 1975. Therefore, the provisions of clause (vi) of paragraph 4 of the aforesaid Order, in our opinion are not applicable to the Company for the year under review.
7. In our opinion, the scope and coverage of internal audit system need to be increased to make it commensurate with the size and nature of business of the company.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-clause (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
9. Statutory Dues :
- (a) According to the records of the Company, Provident Fund, Employees State Insurance, Income tax, Sales tax, Customs Duty, Service Tax, Excise Duty, Cess and other statutory dues to the extent applicable to the Company, have been generally regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, Customs Duty, Service Tax, Excise Duty, Cess and other statutory dues outstanding as at 31st March 2011, for a period more than six months from the date they become payable.

According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company on account of disputes

Name of the Statute	Nature of the disputed dues	Amount of Tax (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	19.00	AY 2006-2007	Commissioner of Income Tax- Appeals

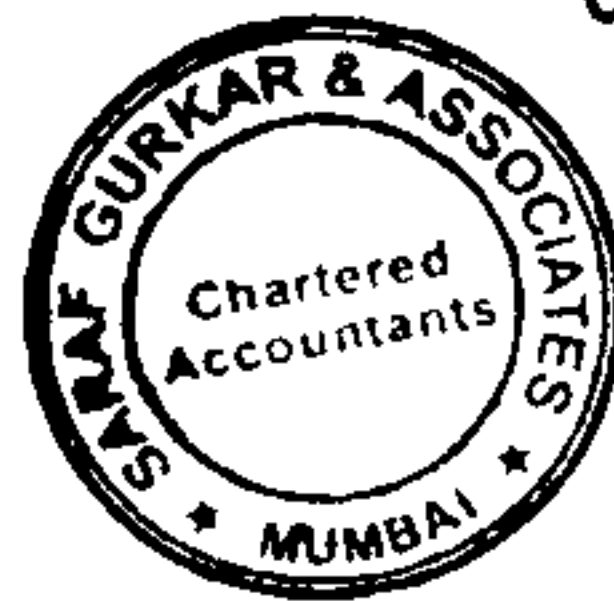


17. According to the information and explanations given to us and on the overall examination of the Balance sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies / firms covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.



19. In our opinion and according to the information and explanations given to us, the Company has created security or charge in respect of the secured debentures issued during the year.
20. The Management has disclosed the end use of money raised by public issue at note 21 of Schedule H (B). We have verified the same to the extent of utilization by the Company.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

Place : Mumbai
Dated: June 14, 2011



For SARAF GURKAR & ASSOCIATES
Chartered Accountants
FRN: 126518W

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S. L. Saraf
Partner
Membership No. 030866

TALWALKARS BETTER VALUE FITNESS LIMITED

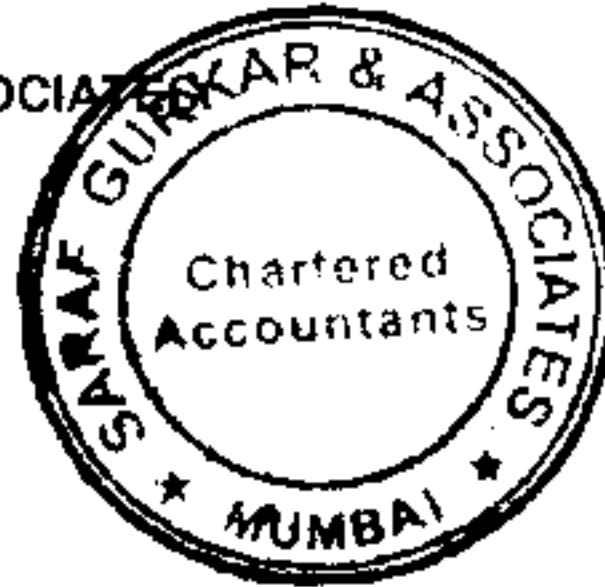
BALANCE SHEET AS ON 31ST MARCH 2011

	SCH	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS:			
Share Capital	A1	241,156,720	180,656,720
Reserves & Surplus	A2	1,006,642,837	239,888,825
		1,247,799,557	420,545,545
DEFERRED TAX LIABILITY		104,841,649	48,208,594
LOAN FUNDS :			
Secured Loans	B	1,021,158,882	628,555,703
Unsecured Loans		92,647,005	343,452,384
		1,113,805,887	972,008,087
TOTAL		2,466,447,094	1,440,762,226
APPLICATIONS OF FUNDS:			
FIXED ASSETS:			
Gross Block	C	1,890,400,447	1,321,923,223
Less: Accumulated Depreciation/Amortisation		241,611,298	160,815,772
Net Block		1,648,789,149	1,161,107,451
Capital Work-in-progress		274,252,254	130,186,173
		1,923,041,403	1,291,293,624
INVESTMENTS	D	96,913,981	49,401,500
CURRENT ASSETS, LOANS & ADVANCES:			
Sundry Debtors	E1	144,374,374	32872678
Cash and Bank Balances	E2	279,512,693	124870621
Loans & Advances	E3	222,407,269	108721162
		646,294,335	266,464,462
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	F1	88,167,939	118229965
Provisions	F2	111,634,686	56214669
		199,802,625	174,444,634
NET CURRENT ASSETS		446,491,710	92,019,827
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	G		8047274
TOTAL	H	2,466,447,094	1,440,762,226

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

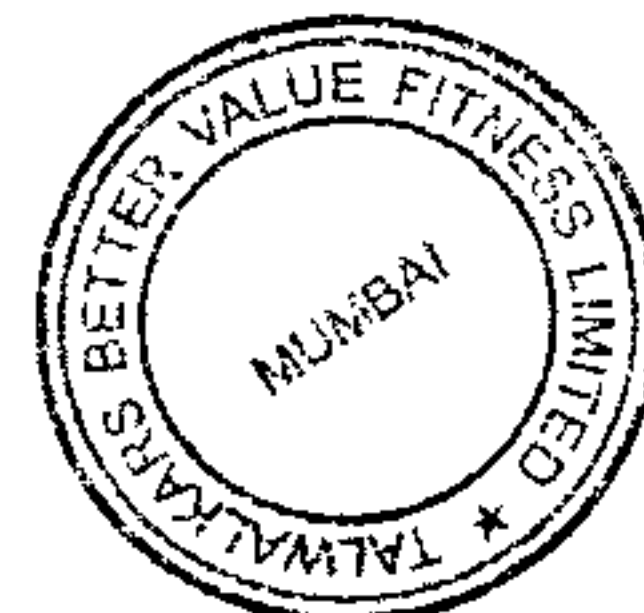
Schedules referred to above form an integral part of the Financial Statements
As per our report of even date

FOR SARAF GURKAR & ASSOCIATES
Chartered Accountants
FRN126518W
S.L.SARAF
Partner
Membership No. 030866



Mumbai
14th June 2011

FOR AND ON BEHALF OF THE BOARD
P.S. TALWALKAR
Managing Director
& Chief Executive Officer
A.R.GAWANDE
Whole time Director
& Chief Financial Officer
Avanti Sankav
Company Secretary
& Compliance Officer



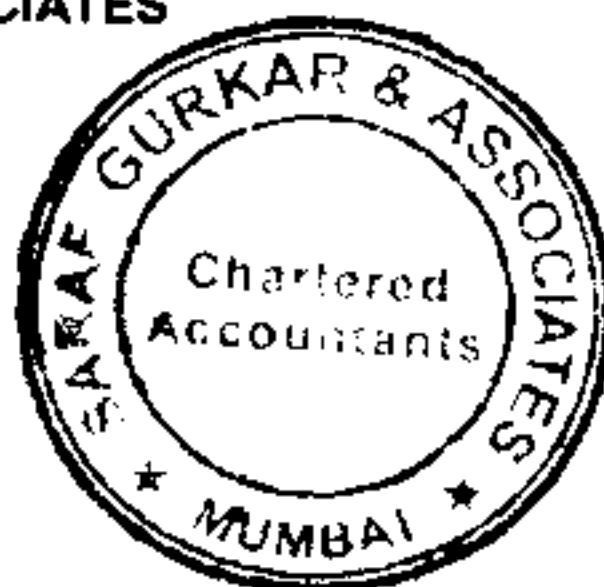
TALWALKARS BETTER VALUE FITNESS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

INCOME :	SCH	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
Income from Operations	I1	865,203,991	661,155,142
Other Income	I2	18,942,260	3,828,634
		884,146,251	664,983,775
EXPENDITURE :			
Personnel Cost	J1	177,572,443	156,832,213
Administrative and other expenses	J2	216,995,744	173,112,173
Selling & Marketing Cost	J3	27,194,968	14,669,001
Service Tax Collected & Paid		78,630,667	60,581,546
		500,393,822	405,194,933
PROFIT BEFORE INTEREST, DEPRECIATION, EXTRA ORDINARY ITEMS & TAXES		383,752,429	259,788,842
Finance Cost	J4	73,595,040	80,876,379
PROFIT BEFORE DEPRECIATION, EXTRA ORDINARY ITEMS & TAXES		310,157,389	178,912,464
Non-Cash Charges	K	83,336,547	60,889,886
PROFIT BEFORE EXTRA ORDINARY ITEMS & TAXES		226,820,842	118,022,577
Profit/(loss) on Sale of Asset		(3,644,406)	(2,131,850)
PROFIT BEFORE TAX		223,176,435	115,890,727
Taxation (Net)	L	44,719,573	21,231,859
Deferred Tax		26,187,687	15,289,612
PROFIT AFTER TAX		152,269,176	79,369,257
Balance Brought Forward		182,243,480	152,286,409
Profit available for appropriations		334,512,656	231,655,666
APPROPRIATIONS :			
Effect on Change in AS 11		-	2,386,138
Effect of previous year's Deferred Tax Liability		-	32,918,982
Proposed Dividend on Equity Shares		24,115,672	12,057,836
Tax on Dividend		4,003,202	2,049,229
Debenture Redemption Reserve		2,260,274	-
BALANCE CARRIED TO BALANCE SHEET		304,133,508	182,243,480
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	H		
Schedules referred to above form an integral part of the Financial Statements			
		EPS (Rs.)	
		Weighted Average	
		6.46	4.43
		Diluted	
		6.46	4.42

As per our report of even date

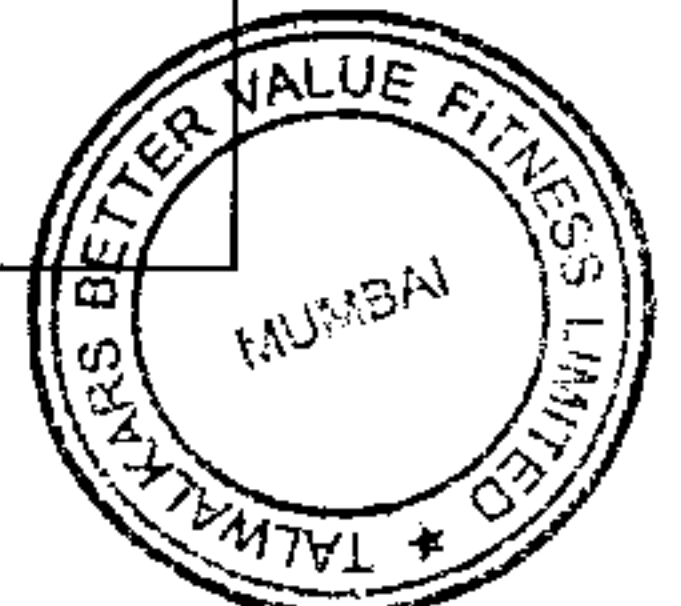
FOR SARAF GURKAR & ASSOCIATES
Chartered Accountants
FRN 126518W
S.L. Saraf
S.L.SARAF
Partner
Membership No. 030866



FOR AND ON BEHALF OF THE BOARD
P.S. Talwalkar
P.S. TALWALKAR
Managing Director
& Chief Executive Officer
A.R. Gawande
A.R. GAWANDE
Whole time Director
& Chief Financial Officer

Avanti Sankav
Avanti Sankav
Company Secretary
& Compliance Officer

Mumbai
14th June 2011



TALWALKARS BETTER VALUE FITNESS LIMITED
CASHFLOW FOR THE YEAR ENDED 31ST MARCH 2011

	Year ended 31.03.2011 Rs.	Year ended 31.03.10 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before Taxes	223,176,435	115,890,730
Non-cash expenses	83,336,547	60,950,010
Finance cost (Net)	73,595,040	80,876,379
Income from Investment activity	(10,841,826)	-
(Profit)/Loss on sale of assets	3,644,406	2,131,850
	149,734,168	143,958,239
Operating Profit before Working capital changes	372,910,603	259,848,969
(Increase)/Decrease in Current Assets	(40,918,519)	(12,564,602)
(Increase)/Decrease in Trade and other receivables	(111,501,695)	(26,907,492)
Increase/(Decrease) in Trade and other payables	(30,350,752)	3,403,426
	(182,770,967)	(36,068,669)
Cash generated from operations	190,139,636	223,780,300
Direct taxes paid	(51,902,459)	(10,674,323)
	138,237,177	213,105,977
B CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in Joint Venture	(10,608,700)	(8,426,500)
Payment towards purchase of Fixed Assets, CWIP	(705,412,364)	(320,079,867)
Proceeds from sale of fixed assets	100,000	171,600
Dividend Received	9,988,816	-
Purchase of Short Term Investments	(1,240,600,000)	-
Proceeds from sale of Short Term Investments	1,205,974,313	-
	(740,557,935)	(328,334,767)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Share issue Proceeds (net of refund inclug security premium)	769,374,677	185,000,265
Issue proceeds from NCD	300,000,000	-
IPO related expenses	(58,223,693)	(8,047,274)
Borrowings done	216,615,708	856,564,640
Repayment of Long term and other borrowings	(355,652,321)	(719,884,338)
Finance cost paid	(99,283,942)	(80,876,379)
Dividend Paid	(12,057,836)	(196,687)
Dividend Tax Paid	(2,049,229)	(33,437)
	758,723,363	232,526,790
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	156,402,605	117,298,000
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	117,455,635	157,636
Cash & Bank Balance including Fixed Deposits	279,512,693	124,870,621
Balance in Cash Credit facility	(5,654,453)	(7,414,986)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	273,858,240	117,455,635

As per our report of even date

FOR SARAF GURKAR & ASSOCIATES
Chartered Accountants
FRN126518W
S. L. Saraf
S.L.SARAF
Partner
Membership No. 030866
Mumbai

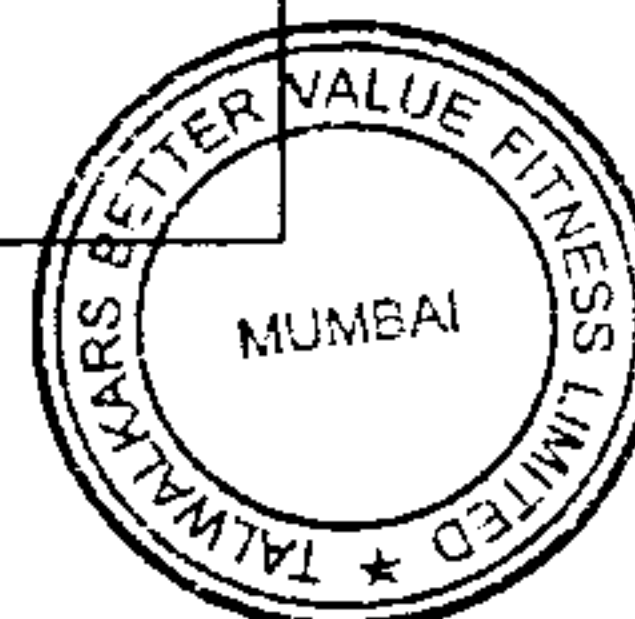


FOR AND ON BEHALF OF THE BOARD

P. S. Talwalkar
P.S. TALWALKAR
Managing Director
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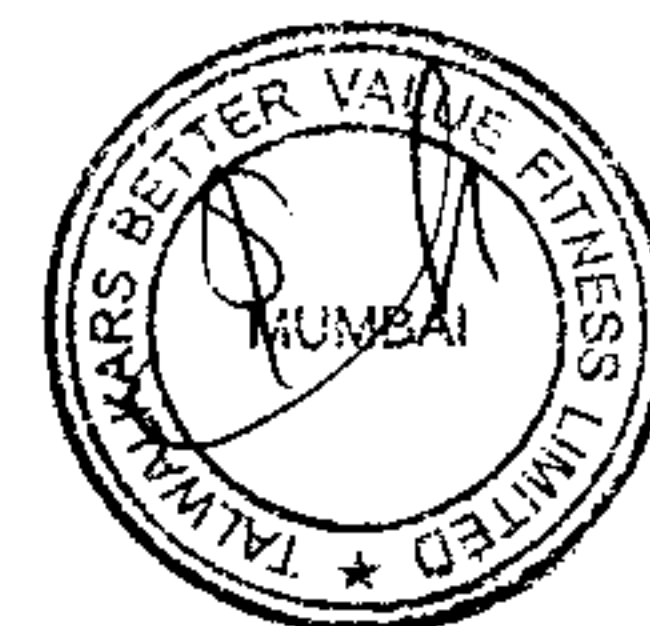
Avanti Sankav
Avanti Sankav
Company Secretary
& Compliance Officer



TALWALKARS BETTER VALUE FITNESS LIMITED

Schedules forming part of the Balance Sheet

SCH		As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
"A1"	SHARE CAPITAL		
	AUTHORISED:		
	30,000,000 Equity Shares of Rs. 10/- each [Previous year 30,000,000 Equity Shares of Rs. 10/- each]	300,000,000	300,000,000
		300,000,000	300,000,000
	ISSUED, SUBSCRIBED & PAID-UP:		
	2,41,15,672 Equity shares of Rs. 10 Each Fully Paid up (Previous Year 18,065,672 Equity shares of Rs. 10 Each Fully Paid up)	241,156,720	180,656,720
	(a) of the above, 550,000 shares were allotted as Fully paid up pursuant to the Agreement for takeover of business and issued in consideration received other than in cash. [Previous Year 550,000 Equity Shares of Rs.10 each]		
	(b) of the above, 70,260 Equity Shares were allotted against redemption of Preference Shares [Previous Year 70260 Equity Shares of Rs.10 each]		
	(c) of the above, 15807463 Equity Shares have been issued by way of bonus by capitalising Reserves (Previous Year - 15807463 Equity Shares)		
		241,156,720	180,656,720
"A2"	RESERVES & SURPLUS		
	(a) Securities Premium		
	Balance in Securities Premium	57,645,345	
	Add : Securities Premium received on Issue of shares	713,900,000	
		771,545,345	
	Less : Adjustment Share issue expenses*	66,270,967	
	Less : Adjustment Debenture issue expenses*	5,025,323	
		71,296,290	
		700,249,055	57,645,345
	(b) Balance in Profit & Loss Account	304,133,508	182,243,480
	(c) Debenture Redemption Reserve As per last Balance Sheet Add: Transferred from Profit & Loss Account	2,260,274	-
		1,006,642,837	239,888,825
	* Adjustment as per the provisions of Sec 78 of the Companies Act 1956		
"B"	SECURED LOANS		
	<u>From Bank</u>		
	(a) Term Loans (including interest accrued and due)	583,357,237	497,277,373
	(b) Cash Credit Facility	5,654,453	7,414,986
	(c) Acceptances	132,147,192	123,863,344
	(For details of Security offered refer to Note 'B2' of Schedule H of Notes to Accounts)		
	(d) Redeemable Secured Non-Convertible Debentures	300,000,000	-
		1,021,158,882	628,555,703



TALWALKARS BETTER VALUE FITNESS LIMITED

Schedules forming part of the Balance Sheet (continued)

SCHEDULE 'C': FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01-04-2010	ADDITIONS DURING THE YEAR	DEDUCTIONS	AS ON 31-03-2011	AS ON 01-04-2010	FOR THE YEAR	DEDUCTIONS	AS ON 31-03-2011	AS ON 31-03-2011	NET BLOCK AS ON 31-03-2010
Intangible Assets										
Goodwill	56,602,634	-	-	56,602,634	7,854,203	2,863,038	-	10,717,241	45,885,393	48,748,431
Tangible Assets										
Immovable Property	56,175,653	-	-	56,175,653	5,526,880	915,670	-	6,442,550	49,733,103	50,648,768
Computers	13,465,844	5,067,190	-	18,533,034	5,043,239	2,446,275	-	7,489,514	11,043,520	8,422,604
Air-Conditioners	85,242,439	42,979,954	1,428,232	126,794,161	9,241,813	4,536,069	473,389.00	13,304,492	113,489,669	76,000,626
Furniture & Fittings	524,569,257	197,271,074	3,370,817	718,469,514	71,099,825	36,831,306	1,471,285.63	106,459,845	612,009,669	453,469,432
Electrical fittings	113,813,825	55,603,192	705,232	168,711,786	10,975,972	7,379,884	265,394.00	18,090,461	150,621,324	102,837,854
Gym Equipment	442,456,534	254,645,519	994,458	696,107,595	48,177,075	26,444,389	330,953	74,290,511	621,817,084	394,279,459
Office Equipment	29,597,038	19,409,033	994,458	49,006,071	2,896,766	1,919,917	-	4,816,683	44,189,388	26,700,272
	1,321,923,223	574,975,962	6,498,739	1,890,400,447	160,815,772	83,336,548	2,541,022	241,611,298	1,648,789,149	1,161,107,444
Previous Year	1,108,862,609	216,410,399	3,349,785	1,321,923,223	100,972,214	60,889,893	1,046,335	160,815,772	1,161,107,451	1,007,890,388

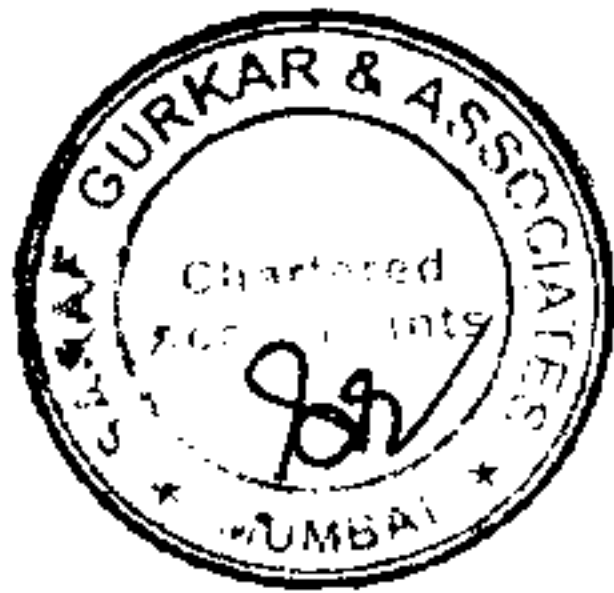


TALWALKARS BETTER VALUE FITNESS LIMITED

Schedules forming part of the Balance Sheet

SCHEDULES 'D' : INVESTMENTS

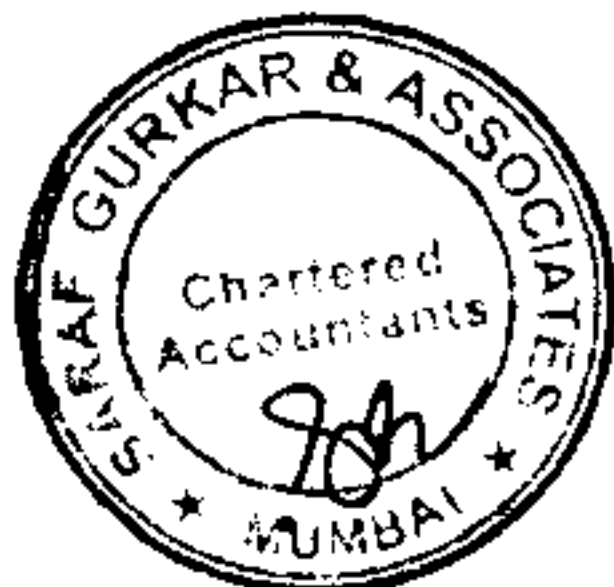
	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
A) <u>Long term Non-Trade Unquoted,(at cost) :</u>		
<u>Investment In Joint Ventures:</u>		
Splendor Fitness Private Limited (formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.) [140000 (Previous year 100000) Equity Shares of Rs.100/- each fully paid]	50,000,000	10,000,000
<u>Investment in Subsidiaries :</u>		
Denovo Enterprises Private Limited [50101 (Previous year 50000) Equity Shares of Rs.100/- each fully paid]	5,010,100	5,000,000
Aspire Fitness Private Limited [50001 (Previous year 500) Equity Shares of Rs.100/- each fully paid]	5,000,100	50,000
B) <u>Share Application Money in Joint Ventures (pending allotment)</u>		
Splendor Fitness Private Limited (formerly known as Talwalkars Pantaloon Fitness Pvt. Ltd.)	-	29,331,000
Aspire Fitness Pvt Ltd	-	5,020,500
C) <u>Current, short term, trade</u> <i>(valued at cost or market value whichever is lower)</i>		
Axis Liquid Fund	36,199,716	-
UTI Treasury Advantage Fund	704,065	-
	96,913,981	49,401,500



TALWALKARS BETTER VALUE FITNESS LIMITED

Schedules forming part of the Balance Sheet (continued)

SCH	As at	
	31.03.2011	31.03.2010
	Rs.	Rs.
"E1" SUNDRY DEBTORS [Unsecured and Considered Good]		
(a) More than Six months	6,418,631	-
(b) Others	137,955,743	32,872,678
	144,374,374	32,872,678
"E2" CASH AND BANK BALANCES		
(a) Cash in hand (as certified)	15,108,259	45,050,776
(b) Balances with Scheduled Bank		
- in current a/c.	77,935,403	28,608,481
- in Fixed Deposit Accounts (including interest accrued)	186,469,031	51,211,365
	279,512,693	124,870,621
"E3" LOANS AND ADVANCES [Unsecured & considered good]		
(a) Advances recoverable in Cash or Kind for value to be received	3,705,697	1,407,647
(b) Deposits	103,193,861	74,836,092
(c) Input Credit Service Tax Carried forward	11,607,979	4,652,425
(d) Income Tax & FBT paid	65,021,172	22,698,952
(e) Prepaid expenses	3,437,903	2,415,405
(f) Unavailed Service Tax Cenvat Credit	4,995,289	2,710,641
(g) Minimum Alternate Tax credit entitlement	30,445,368	-
	222,407,269	108,721,162
"F1" CURRENT LIABILITIES		
(a) Liabilities for expenses	41,403,296	35,498,364
(b) Duties & Taxes payable	21,253,660	57,496,214
(c) Liabilities for Capital goods	25,450,857	25,131,612
(d) Membership fees refundable	60,126	103,776
	88,167,939	118,229,965
"F2" PROVISIONS		
(a) Provision for Income Tax	75,223,633	40,084,300
(b) Provision for Fringe Benefit Tax	1,963,180	1,963,180
(c) Proposed Dividend on Equity Shares	24,115,672	12,057,836
(d) Provision for Tax on Dividend	4,003,202	2,049,229
(e) Provision for Contribution to Group Gratuity Scheme	90,643	60,124
(f) Provision for Interest on Non Convertible Debenture	6,238,357	-
	111,634,686	56,214,669
"G" MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Share Issue Expenses		
Opening	8,047,274	-
Expenses Incurred during the year	58,223,693	8,047,274
	66,270,967	8,047,274
Less: Adjusted against Securities premium	66,270,967	-
	-	8,047,274



TALWALKARS BETTER VALUE FITNESS LIMITED

Schedules forming part of the Profit & Loss Account

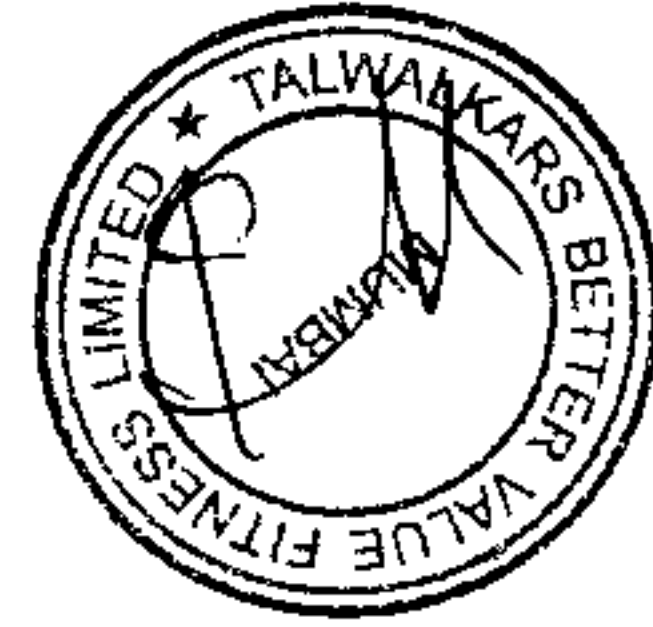
SCH	Year ended	Year ended
	31.03.2011	31.03.2010
	Rs.	Rs.
"I1" INCOME FROM OPERATIONS		
Gross Fees including Service Tax	777,917,333	635,626,186
Franchisee Fees including Service tax	64,117,864	12,979,863
Input Credit Service Tax	23,168,794	12,549,092
	865,203,991	661,155,142
"I2" OTHER INCOME		
Income from Juice Centre and Food & Supplements	410,082	637,162
Sundry Credit balances no longer payable	851,779	1,340,843
Profit/(loss) on Sale of Asset / Investments	853,008	-
Dividend From Mutual Funds	9,988,817	-
Interest on Bank Term Deposits	5,473,882	1,249,223
Miscellaneous Income	1,364,692	601,406
	18,942,260	3,828,634
"J1" PERSONNEL COST		
Payments to Outsourcing Agencies	168,003,205	151,346,767
Director's Remuneration, Sitting fees	6,080,565	4,242,053
Salaries	3,348,497	1,183,269
Contribution to group gratuity scheme	140,177	60,124
	177,572,443	156,832,213
"J2" ADMINISTRATIVE & OTHER EXPENSES		
Statutory Audit Fees	1,250,000	606,650
Internal Audit Fees	1,959,611	1,368,922
AGM Meeting Expenses	158,390	-
Consumables, Food & Supplements	7,236,221	5,555,323
Electricity & Fuel expenses	58,420,137	46,138,234
Insurance Charges	1,015,162	359,339
Juice Centre & Spa Expenses	551,238	756,055
Pooja & Special Function Expenses	917,132	795,179
Printing & Stationery	2,378,147	3,698,684
Professional Fees	3,535,447	9,004,158
Rates & Taxes	3,135,440	2,011,372
Interest on late payment of Service Tax	2,804,082	2,328,135
Rent	107,171,260	78,036,133
<u>Repairs & Maintenance</u>		
- Building and Gym Equipment	6,787,840	5,352,635
- Others	6,521,650	5,424,848
ROC Expenses	61,199	1,033,512
Telephone Expenses	4,455,753	3,735,182
Traveling & Conveyance Expenses	2,076,294	2,647,556
Water Charges	2,947,650	2,666,746
Miscellaneous Expenses	3,613,089	1,593,511
	216,995,744	173,112,173
"J3" SELLING & MARKETING COST		
Advertising Expenses	23,247,575	11,990,013
Business Promotion expenses	3,947,393	2,678,988
	27,194,968	14,669,001



TALWALKARS BETTER VALUE FITNESS LIMITED

Schedules forming part of the Profit & Loss Account (continued)

SCH	Year ended	
	31.03.2011	31.03.2010
	Rs.	Rs.
"J4" FINANCE COST		
Interest on Secured Loan	38,810,630	37,656,415
Interest on Unsecured Loan	18,582,517	35,425,998
Interest on Letter of credit	4,357,818	3,386,314
Bank Charges	1,619,614	1,121,905
Credit Card Charges	3,965,558	3,285,746
Interest on Non Convertible Debentures	6,258,904	-
	73,595,040	80,876,379
"K" NON-CASH CHARGES		
Depreciation	83,336,547	60,889,887
	83,336,547	60,889,887
"L" TAXATION (NET)		
Provision for Current Tax	44,243,933	21,229,300
Prior period Tax Adjustments	475,640	2,559
	44,719,573	21,231,859



TALWALKARS BETTER VALUE FITNESS LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

SCHEDULE 'H':

A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation of financial statements:

- The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956.

(b) Use of Estimates:

- The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year. The reported balance of assets and liabilities and the disclosure 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 :

- Fixed assets are stated at original cost, net of tax/duty credits availed if any, less accumulated depreciation / amortisation. 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.
- Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- Intangible assets are recorded at the consideration paid for acquisition and are carried at cost less accumulated amortization.

(d) Depreciation/Amortisation :

- Depreciation on all fixed assets is provided pro-rata from / up to the date of acquisition / disposal using the straight line method at the rates prescribed by



schedule XIV of the Companies Act, 1956.

- In case of Goodwill, the amount is amortized @4.75% p.a. using the straight-line method.

(e) Provisions, Contingent Liabilities and Contingent Assets:

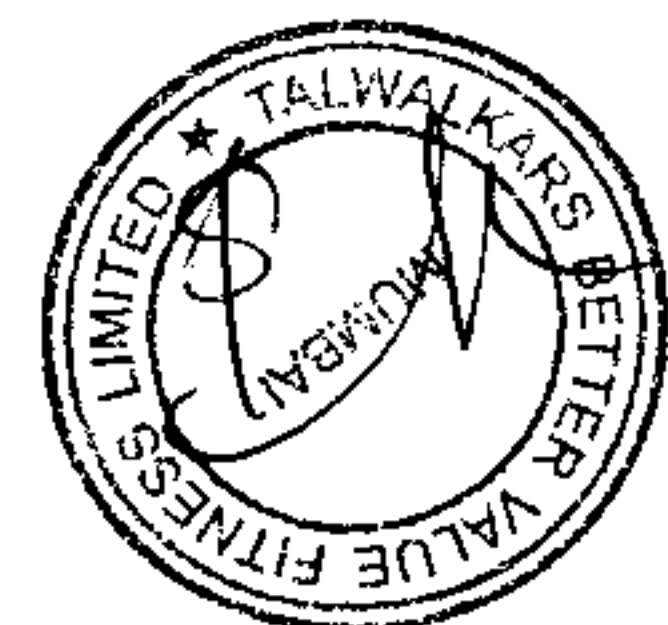
- Provisions involving substantial degree of estimation in measurement are recognized if there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets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

(f) Revenue Recognition:

- Income from Fees and subscriptions, recorded net of discounts and rebates have been recognised as income for the year irrespective of the period, for which these are received. However, the Fees receivable from existing members as at the end of the year has been recognised as income for the year.
- The costs relating to rendering of these services being unascertainable are charged off to revenue in the year in which they become legally payable.
- Input credit availed on Service Tax through revenue expenses paid are accounted for separately as income, thus accounting the expenses at their gross values inclusive of service tax. Expenses on which service tax is paid in subsequent year are booked net off the Un-availed Service Tax at end of the year.
- Income by way of Franchise Fees (including up-front fees) received pursuant to franchise agreements entered are recognized as income of the period in accordance with terms of the agreement, and as per data submitted by the franchisees.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Any other income i.e. from juice bar sales, consumables etc are recognised on receipt basis since the realizations there-from are immediate and no credit is allowed to the customers / members.

(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 Profit & Loss Account 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:

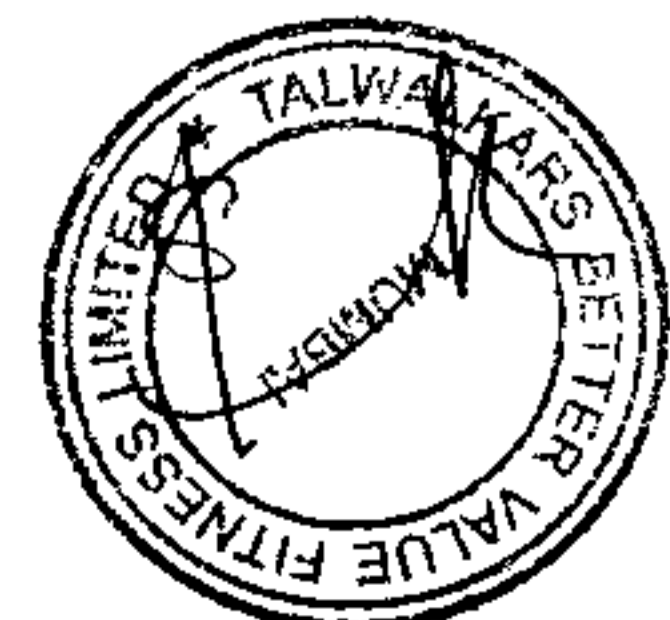
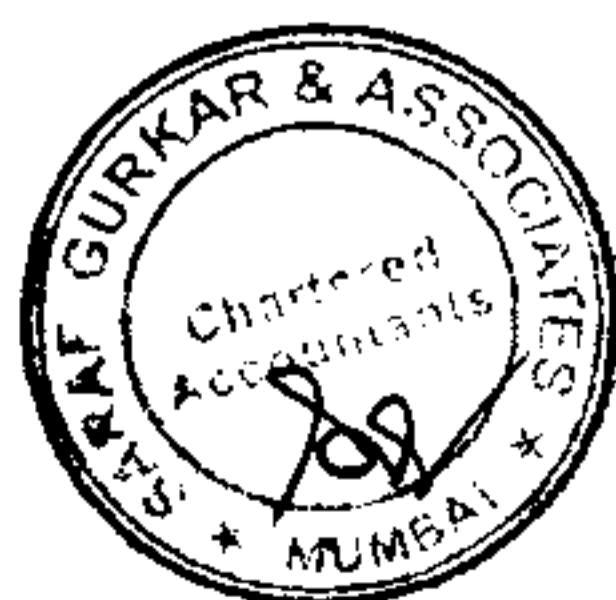
- All employee benefits payable wholly within twelve months of rendering the service are classified as a short term employee benefits. Benefits such as salaries, wages, contractual labour charges and short term compensated absences, etc is recognized in the period in which the employee/contractual labour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

(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 to Revenue Account in the year in which they are incurred.

(j) Foreign Currency Transactions:

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



(k) Earnings per share:

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

(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 recognised in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and the same is reviewed at each balance sheet date.

(m) Investments:

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

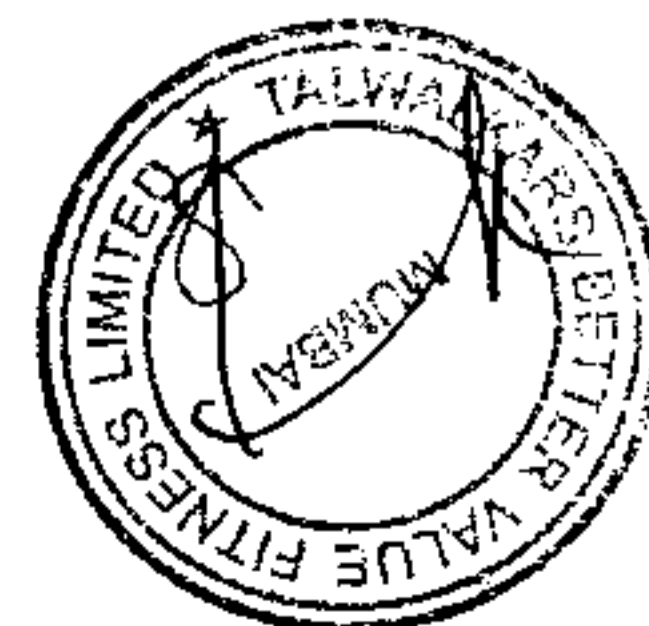
(n) Cash Flow Statement :

- 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 consist of cash on hand, balances in Current, Fixed deposit and Cash Credit Accounts with Bank.

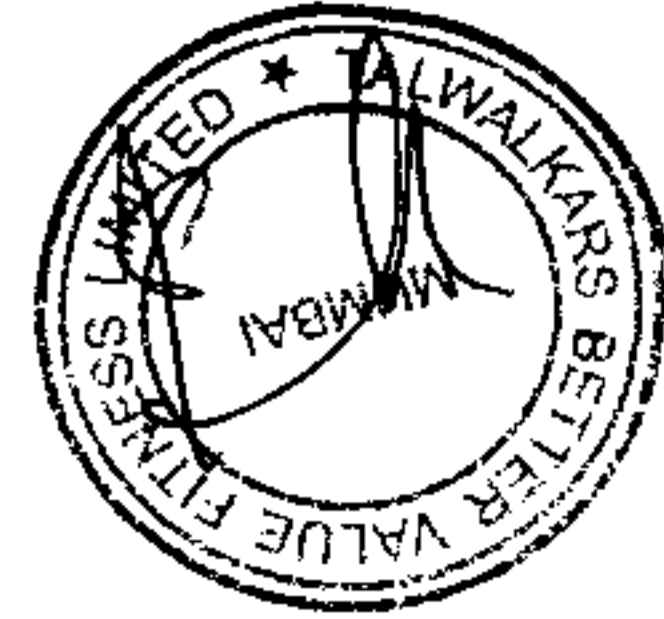
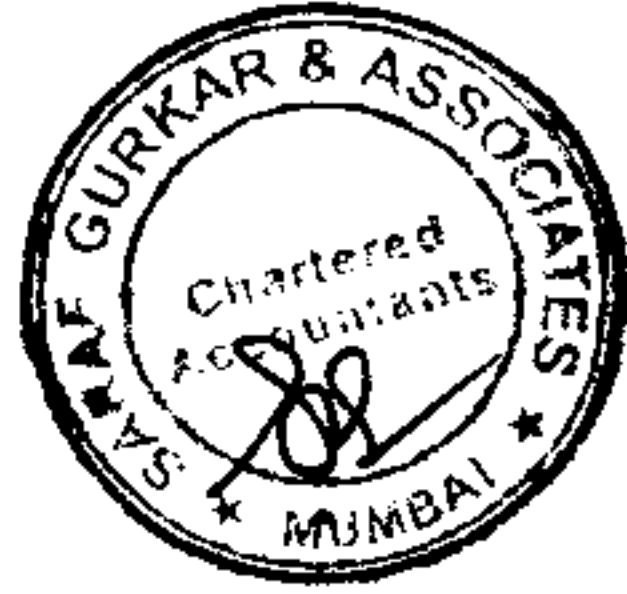
- (o)** Transfer to **Debenture Redemption Reserve** is made pro-rata over the life of Debentures in terms of the requirement of provisions of Companies Act, 1956.

(p) Segment Reporting:

- There is only one reportable business segment as envisaged by AS-17 'Segment Reporting'. Accordingly, no separate disclosure for the segment reporting is required to be made in the financial statement of the company.



- Secondary segmentation based on geography has not been presented as the company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.



B) NOTES TO THE ACCOUNTS:

1. Contingent Liabilities :

Contingent liabilities not provided for in respect of

(Rs. in lacs)

	2010-11	2009-10
Income Tax demands (net of amount paid in protest) A Y 2006-07	19.00	19.00
Bank Guarantee given on behalf of Joint Ventures / Subsidiaries	472.50	1245.50
Claim from a landlord, case pending before the Judiciary - Hyderabad	306.50	Not ascertainable
- Koramangala	72.11	
Claim by Advertising agency #	6.39	5.97

8800 GBP @Rs.72.59 (as on 31.03.2011)

2. Security against Secured Loans Availed : [Refer Schedule 'B' to accounts]

- All loans, which include sub limit of Inland and Foreign Letter of credit and cash credit facility are sanctioned by Union Bank of India are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage of immovable premises of the Company, corporate guarantee and collateral security by way of equitable mortgage of premises situated at Tardeo and Mahalaxmi, Mumbai of third parties and the personal guarantee of three Directors of the Company.

(Amount repayable in the next 12 months Rs. 1293.00 lacs, Previous year Rs. 849.58 lacs)

- The abovementioned Foreign / Inland Letters of Credit availed by the Company have been shown under "Acceptances" under the head "SECURED LOANS".

3. Disclosure pursuant to Accounting Standard (AS) 11:

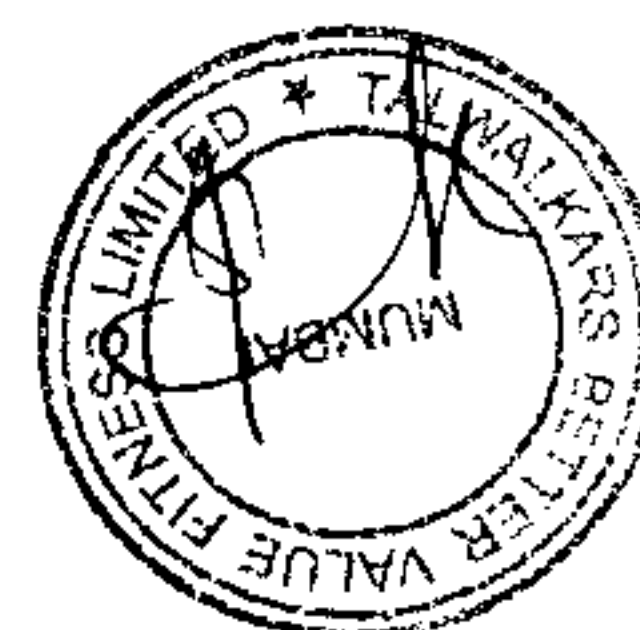
In line with the amendment to Accounting Standard (AS) 11 as per the Notification No. G.S.R. 225 (E) dated 31st March 2009, the foreign exchange gains has been adjusted to the cost of the fixed assets as on 31st March 2011.

4. Disclosure pursuant to Accounting Standard (AS) 13:

The Details of Joint Venture Agreements entered by the Company are as follows:

Name of the Company	Ownership Interest
Denovo Enterprises Private Limited	50.10%
Equinox Wellness Private Limited	33.33% *
Aspire Fitness Private Limited	50.001%

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



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

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

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

During the year:

(Amount in Rs.)

Particulars	Gratuity	Leave Salary	Ex-Gratia	Other Terminal benefits	Total
Opening Balance	60,124/-	N.A	NIL	NIL	60,124/-
Less: Paid / Adjusting During the year	NIL	N.A	NIL	NIL	NIL
Add: Provision made during the year	1,87,966/-	N.A	NIL	NIL	1,87,966/-
Closing Balance	2,48,090/-	N.A	NIL	NIL	2,48,090/-

During the Previous year:

Particulars	Gratuity	Leave Salary	Ex-Gratia	Other Terminal benefits	Total
Opening Balance	NIL	N.A	NIL	NIL	NIL
Less: Paid / Adjusting During the year	NIL	N.A	NIL	NIL	NIL
Add: Provision made during the year	60,124/-	N.A	NIL	NIL	60,124/-
Closing Balance	60,124/-	N.A	NIL	NIL	60,124/-

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

i) Nature of Gratuity - Gratuity is payable to all eligible employees at the rate of 15 days of last drawn salary for each completed year of service subject to the maximum of Rs.10 Lacs for all employees who were on the roll as on 31.03.2011.

ii) The retirement age is taken as 60 years.

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

iv) Valuation Method: Projected unit credit method.

v) Basis of Valuation:

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



6. **Earnings per share**

The Following table sets forth the computation of basic & diluted earnings per share:

	Rs. In lacs	
	2011	2010
Net profit after tax	1522.69	793.70
Weighted average number of equity shares	2,35,68,686	1,79,15,612
Nominal value of shares [Rs.]	10	10
Earnings per share – Basic [Rs.]	6.46	4.43
Earnings per share – Diluted [Rs.]	6.46	4.42

7. **Details of Investments purchased & sold during the year:**

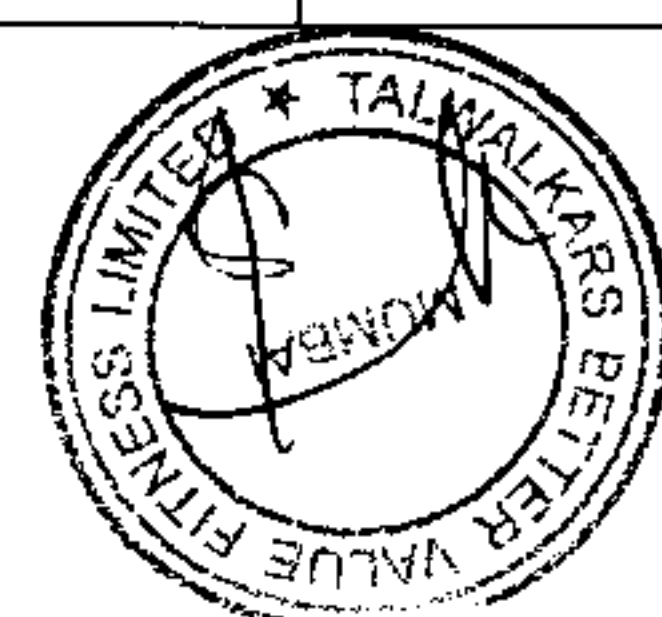
Nature of Transaction	For the year ended 31 st March 2011		For the year ended 31 st March 2010	
	Quantity ('000)	Value (Rs. lacs)	Quantity ('000)	Value (Rs. lacs)
Purchases	36,717	12,506	NIL	NIL
Sales	36,683	12,160	NIL	NIL

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.
- Secondary segmentation based on geography has not been presented as the company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

9. **Details of Deferred Tax Asset / (Liability) are as under:** (Rs. In Lacs)

Nature of timing difference	Deferred Tax Asset / (Liability) as on 1st April, 2010	(Charge) / credit to the Profit & Loss Account	Deferred Tax Asset / (Liability) as on 31st March, 2011
Deferred Tax Liabilities			
Depreciation	(786.54)	(279.75)	
Re-statement of figures at current tax rates		17.88	(1048.42)
Deferred Tax Assets			
Net Amount and consequent increase / decrease in Net Profit and Reserves	(786.54)	(261.88)	(1048.42)



10. Related Party Disclosures:

Disclosure as required by the Accounting Standard 18, "Related Party Disclosure" is given below:

List of Related Parties:

Key Management Personnel

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

Relatives of Key Management Personnel

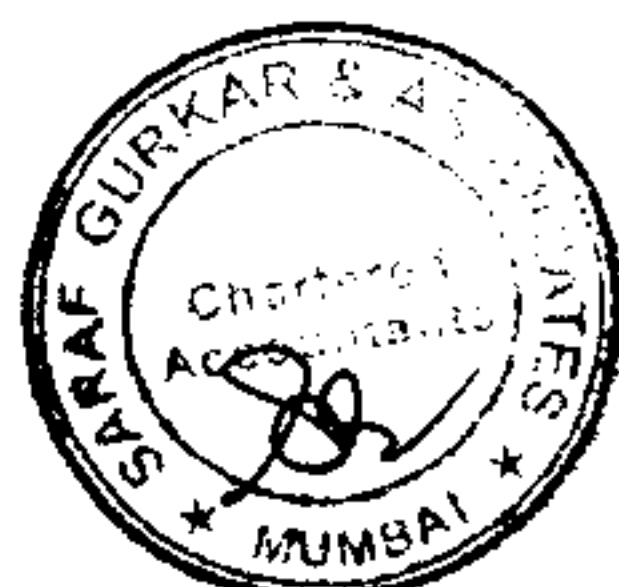
- Mrs. Yamini Anant Gawande
- Mr. Sudhakar Talwalkar

Subsidiaries / Associates

- Denovo Enterprises Private Limited
- Equinox Wellness Private Limited
- Aspire Fitness Private Limited

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

- Anfin Investments Private Limited
- Better Value Leasing & Finance Ltd
- Better Value Brands Private Limited
- Better Value Properties Private Limited
- Brainworks Learning Systems Private Limited
- Gawande Consultants Private Limited
- Life Fitness India Private Limited
- Popular Prakashan Private Limited
- Popular Institute of Arts Private Limited
- Radhika Hotels Private Limited
- Pinnacle Fitness Private Limited
- Talwalkars Fitness Club
- Talwalkars Health & Leisure
- Talwalkars Health Club
- Talwalkars Health Complex
- Talwalkars Health Commune
- Talwalkars Nutrition Centre
- Talwalkars
- Anant Gawande (HUF)
- Vinayak Gawande (HUF)
- Nitin Gawande (HUF)
- R2 Infrastructure Private Limited
- R2 Spa Systems
- Indian Cookery.com Private Limited
- India Cookery Private Limited
- Splendor Fitness Private Limited



a) Transactions with Related Parties :

(Rs. In lacs)

Nature of transactions	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
Incomes	100.14	21.81	0.00	0.00	121.95
Expenses	0.00	62.42	19.19	0.00	81.61
Interest on Unsecured Loans	0.00	121.30	0.00	0.00	121.30
Purchase of Equipments	0.00	66.08	0.00	0.00	66.08
Director's Remuneration	0.00	0.00	252.00	0.00	252.00
Transfer of Members Fees	0.13	1.26	0.00	0.00	1.39
Investments incl. Share Appln Money	51.24	0.00	0.00	106.69	157.93
Loans repaid/ (taken) Net	15.00	1371.69	0.00	0.00	1386.70
Loans & Advances (given)/ repaid Net	0.00	4.30	0.00	0.00	4.30

Balance as at 31st March, 2011:

Nature of transactions	Subsidiaries	Associates	Key Managerial Personnel	Others	Total
Investments incl. Share Application Money	101.28	0.00	0.00	500.00	601.28
Sundry Debtors	13.85	5.24	0.00	0.00	19.09
Deposits	0.00	6.13	13.05	0.00	19.19
Loans and Advances	0.76	9.17	0.00	0.00	8.41
Unsecured Loans	0.00	13.89	0.00	0.00	13.89

Transactions with Related Parties pursuant to Accounting Standard-18

Key management personnel and their Relatives :

Name of the party	Nature of transaction	31.03.2011	31.03.2010
Mr. Madhukar Talwalkar	Director's Remuneration	42.00	36.82
Mr. Prashant Talwalkar	Director's Remuneration	42.00	26.52
	Rent for Premises	19.19	19.19
	Deposit for premises	-	-
	Deposit outstanding as on	13.05	13.05
Mr. Girish Talwalkar	Director's Remuneration	42.00	26.52
	Gym Equipment sold	-	-
	Loans & Advances given/ (taken) Net	0.00	0.11
	Loan outstanding as on	-	-
Mr. Vinayak Gawande	Director's Remuneration	42.00	17.68
	Loans & Advances repaid/ (taken) Net	-	73.12
	Interest on Unsecured Loans	-	7.15
	Loan outstanding as on	-	-
Mr. Harsha Bhatkal	Director's Remuneration	42.00	17.68
Mr. Anant Gawande	Director's Remuneration	42.00	17.68



Transactions with Related Parties pursuant to Accounting Standard-18			
Others:			
Name of the party	Nature of transaction	31.03.2011	31.03.2010
Mrs. Yamini Gawande	Loans & Advances repaid/ (taken) Net	0.00	25.01
	Interest on Unsecured Loans	0.00	1.66
	Loan outstanding as on	0.00	-
Mr. Sudhakar Talwalkar	Professional fees paid	0.00	3.00

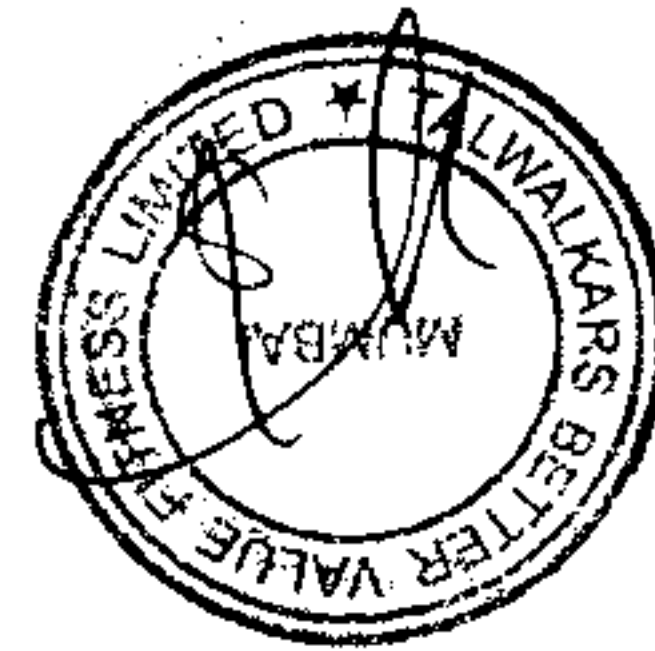
Joint Ventures / Associates /Subsidiaries :			
Name of the party	Nature of transaction	31.03.2011	31.03.2010
Splendor Fitness Pvt Ltd. (formerly known as Talwalkars Pantaloan Fitness Pvt. Ltd.)	Loans & Advances given/ (taken) Net	-	-
	Warehousing charges recovered	-	-
	Transfer of Members Fees	-	-
	Loan outstanding as on	-	-
	Share Application Money given	106.69	33.56
	Investment in Equity Shares as on	500.00	100.00
	Share Application Money as on	NIL	293.31
Denovo Enterprises Pvt Ltd	Franchise fee Income	37.57	28.75
	Franchise fee receivable as on	-	-
	Investment during the year	0.101	-
	Transfer of Members Fees	0.13	0.13
	Loans & Advances given/ (taken) Net	-	0.38
	Investment in Equity Shares as on	50.10	50.00
	Loan outstanding as on	0.76	0.62
Aspire Fitness Private Limited	Investment in Equity Shares in the year	49.501	0.50
	Share Application Money given	49.501	50.21
	Loans & Advances given/ (taken) Net	13.83	-
	Loan outstanding as on	13.83	-
	Franchisee Income	50.00	-
	Interest income on Unsecure Loan	3.38	-
	Investment in Equity Shares as on	50.001	0.50
Share Application Money as on	0.00	50.21	
Equinox Wellness Pvt. Ltd.	Franchise fee Income	9.19	9.23
	Franchise fee receivable as on	13.85	4.66



Associate Companies / Firms :			
Name of the party	Nature of transaction	31.03.2011	31.03.2010
Better Value Leasing & Finance Ltd	Loans & Advances given/ (taken) Net Office expenses Interest on Unsecured Loans Loan outstanding as on	(390.18) 0.48 63.56 (265.27)	(15.43) 1.17 161.53 (1123.58)
Gawande Consultants Pvt. Ltd.	Loans & Advances given/ (taken) Net Electricity expenses Interest on Unsecured Loans Loan outstanding as on	242.77 1.74 22.10 (115.34)	(64.45) 3.60 39.46 (358.11)
Popular Prakashan Pvt. Ltd.	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	(506.02) 12.64 (29.79)	(76.28) 70.22 (535.82)
Radhika Hotels Pvt. Ltd.	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	95.60 5.82 (30.49)	(95.14) 8.48 (126.09)
Popular Institute of Art Pvt Ltd	Loans & Advances repaid/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	72.14 00.00 00.00	20.52 11.33 (72.14)
Anfin Investments Pvt. Ltd	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	173.89 11.48 (69.63)	(180.52) 8.80 (243.52)
Better Value Brands Pvt. Ltd	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	14.26 0.29 0.00	(1.60) 2.01 (14.26)
Better Value Properties Pvt. Ltd.	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on Sale consideration of Property Deposit against rented property Deposit outstanding as on Rent for Premises	2.96 1.03 (6.14) 0.00 0.00 37.08 60.19	18.18 (1.93) (9.10) 0.00 0.00 37.08 57.33
Life Fitness India Pvt. Ltd.	Loan outstanding as on	(0.12)	(0.12)
Pinnacle Fitness Private Limited	Loans & Advances given/ (repaid) Net Transfer of Members Fees Loan outstanding as on Franchise fee Income Franchise fee receivable as on	0.00 (0.71) (2.20) 21.81 4.05	(0.38) (0.86) (1.49) 23.45 4.25



Talwalkars Fitness Club	Loans & Advances given/ (repaid) Net	0.65	2.82
	Transfer of Members Fees	(0.11)	(0.60)
	Office Equipment sold	0.00	0.00
	Loan outstanding as on	5.12	4.58
Talwalkars Health & Leisure	Loans & Advances given/ (repaid) Net	1.29	(3.02)
	Transfer of Members Fees	(0.44)	(0.35)
	Gym Equipment sold	0.00	-
	Loan outstanding as on	1.73	0.88
Talwalkars Health Club	Loans & Advances given/ (repaid) Net	(0.44)	(0.66)
	Transfer of Members Fees	(0.00)	(0.30)
	Loan outstanding as on	(0.31)	(0.13)
Talwalkars Health Complex	Loans & Advances given/ (repaid) Net	(0.65)	(1.42)
	Transfer of Members Fees	(0.00)	(0.20)
	Loan outstanding as on	2.50	1.85
Talwalkars Health Commune	Members Fees receivable	0.00	0.83
	Membership fee receivable as on	0.83	0.83
Talwalkars	Loans & Advances given/ (repaid) Net	0.12	0.20
	Loan outstanding as on	0.33	0.20
Talwalkars Nutrition Centre	Loans & Advances given/ (repaid) Net	1.16	(0.72)
	Transfer of Members Fees	0.00	(0.11)
	Loan outstanding as on	1.50	0.34
Club Business Systems	Purchase consideration for takeover of Business	0.00	
	Members Fees receivable	0.00	0.36
	Deposit against conducting agreement	0.00	
	Membership fee receivable as on	0.36	0.36
Vinayak Gawande (HUF)	Loans & Advances given/ (taken) Net	0.00	25.02
	Interest on Unsecured Loans	0.00	2.39
	Loan outstanding as on	0.00	
Anant Gawande (HUF)	Loans & Advances given/ (taken) Net	0.00	25.02
	Interest on Unsecured Loans	0.00	0.17
	Loan outstanding as on	0.00	
Nitin Gawande (HUF)	Loans & Advances given/ (taken) Net	0.00	25.02
	Interest on Unsecured Loans	0.00	1.30
	Loan outstanding as on	0.00	



b) Corporate Guarantees given:

i) Denovo Enterprises Private Limited

The Company has given a Corporate Guarantee amounting to Rs. 235 lacs to the said Joint Venture Company (Previous year Rs.125 lacs)

ii) Equinox Wellness Private Limited

The Company has given a Corporate Guarantee amounting to Rs. 37.50 lacs to the said Joint Venture Company (Previous year Rs. 37.50 lacs)

iii) Aspire Fitness Private Limited

The Company has given a Corporate Guarantee amounting to Rs. 200.00 lacs to the said Joint Venture Company (Previous Year Rs. NIL)

11. Events occurring after Balance Sheet date:

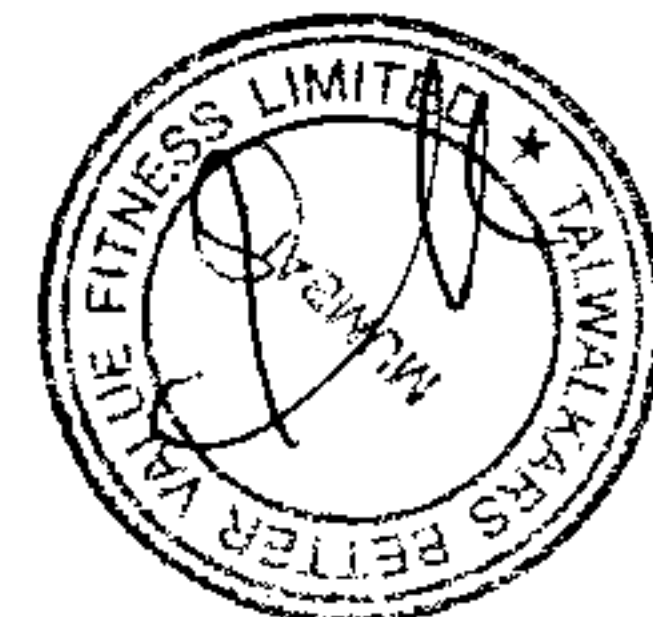
- The company launched a low cost gym concept – Healthy India Fit India (HiFi) in April 2011. Unlike a typical full service Talwalkar Health Gym Format, the Hi-Fi Gyms is a “no-frills” gym providing quality and affordable health and fitness solution catering to the Tier III and Tier IV cities/towns. The Company depending on location and space availability may set up Hi-Fi Gyms in Tier I and Tier II cities. A Hi-Fi Gym would typically be smaller in size, with an average area of 2,500 to 2,800 sq ft. A Hi-Fi gym will have all the key facilities of the existing gyms including imported fitness equipments, air-conditioning, generator back up, excellent ambience and high quality personal trainers.

12. Auditors’ Remuneration (inclusive of service tax):

	2010-11 Amount Rs. (in lacs)	2009-10 Amount Rs. (in lacs)
- Audit Fees (Incl. Tax Audit Fee)	13.79	6.07
- Other Services	1.99	4.69
- Out of Pocket expenses	0.09	Nil
13. Estimated amounts of contracts remaining to be executed on capital accounts and not provided for	586.05	134.89

14. Directors’ Remuneration: includes paid to Six Directors of the Company, amounting to Rs. 252.00 lacs. (Previous year Rs. 142.90 lacs)

15. Additional information as prescribed under Part II of Schedule VI of the Companies Act, 1956 in respect of production / inventories are not applicable since the Company does not undertake any trading or manufacturing activity.



	<u>Year ended</u> <u>2010-11</u> Rs. (in lacs)	<u>Year ended</u> <u>2009-10</u> Rs. (in lacs)
16. Value of Imports on CIF		
Basis-		
Gymnasium Equipments	1055.97	838.72
Furniture & Fixtures	55.65	NIL
17. Earnings in Foreign Currency.	NIL	NIL
18. Expenditure in Foreign Currency	1.58	NIL
Travelling Expenses		

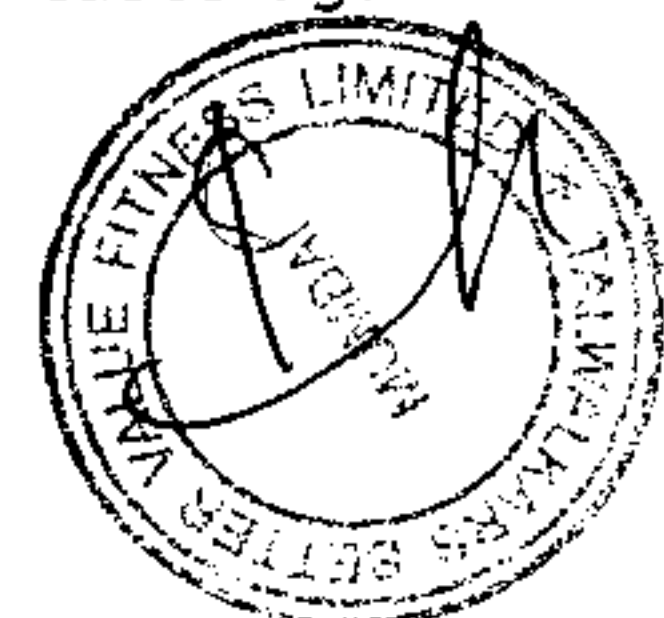
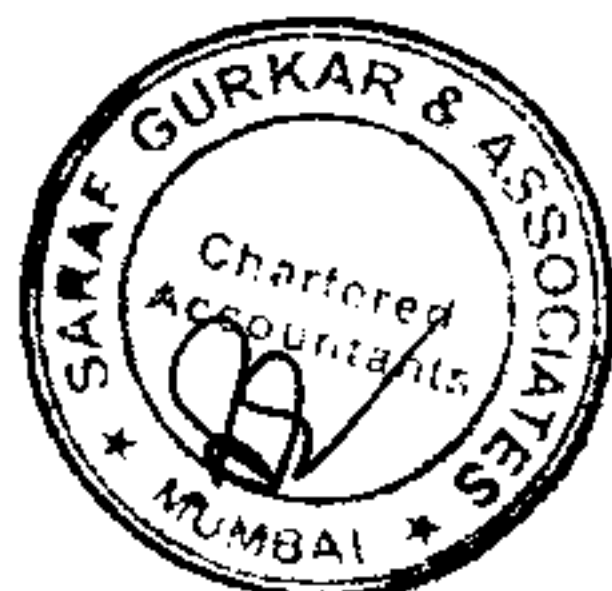
19. Non Convertible Debentures:

The Company has issued 11.5% Redeemable Secured Non Convertible Debentures, Face Value Rs.10 lacs each aggregating to Rs.30 Crores through private placement. The principal amount of the NCDs, interest due and any other monies payable by the company in respect of the NCDs will be secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed such that a fixed asset cover of 1.25 times is maintained at all times during the tenor of the NCD.

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

21.The Company made an Initial Public Offer of 60,50,000 equity shares of Rs 10 each for cash at a premium of Rs 118 per equity share, aggregating to Rs 7744 lacs of which Rs 6,672 lacs have been spent towards the object of the issue (Rs3950 lacs were utilised for setting up additional health clubs, Rs.2059.20 towards repayment of unsecured loans and Rs 662.80 lacs towards issue expenses) and the balance has been invested in debt schemes of mutual fund.

22.The operations of the Belgaum and Koramangala Branches have been temporarily suspended due to some disputes. The company has already filed legal cases against the



same and on the basis of advice of its legal counsel, is confident of favourable outcome and early recommencement of operations of the branches.

23. Previous year's figures have been regrouped / re-arranged wherever necessary to confirm to the current year's classification.

As per our report of even date

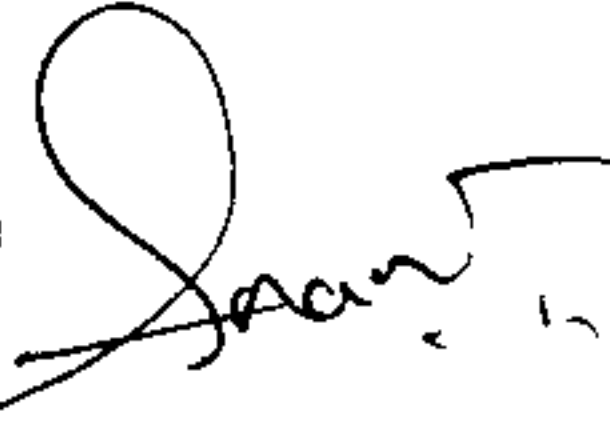
For **SARAF GURKAR &
ASSOCIATES
CHARTERED
ACCOUNTANTS**



S.L.SARAF
Partner
Membership No. 030866
MUMBAI
14th June 2011



A.R.GAWANDE
Whole time
Director & Chief
Financial
Officer
14th June 2011

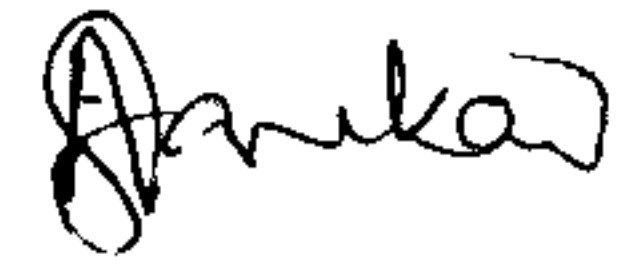


For & on behalf of the Board

P.S.TALWALKAR
Managing
Director &
Chief Executive
Officer



**Avanti Sankav
Company
Secretary**



TALWALKARS BETTER VALUE FITNESS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 COMPANY'S REGISTRATION DETAILS :

- Registration No.	140134
- State Code	11
- Balance Sheet Date	31st March 2011

2 CAPITAL RAISED DURING THE YEAR :

- Public Issue	Rs.	605.00
- Right Issue	Rs.	Nil
- Bonus Issue	Rs.	Nil
- Private Placement	Rs.	Nil

3 DETAILS OF MOBILISATION AND DEPLOYMENT OF FUNDS :

- Total Liabilities	Rs.	24,664
- Total Assets	Rs.	24,664

SOURCES OF FUNDS :

- Paid-up Capital	Rs.	2,412
- Reserves & Surplus	Rs.	10,066
- Secured Loans	Rs.	10,212
- Unsecured Loans	Rs.	926
- deferred tax liability	Rs.	1,048

APPLICATION OF FUNDS :

- Net Fixed Assets	Rs.	19,230
- Investments	Rs.	969
- Net Current Assets	Rs.	4,465
- Misc. Expenditure	Rs.	0
- Accumulated Losses	Rs.	

4 PERFORMANCE OF COMPANY :

- Turnover	Rs.	8,841
- Total Expenditure	Rs.	6,610
- Profit before Tax	Rs.	2,232
- Profit after Tax	Rs.	1,523
- Earning per share	Weighted Average	6.46
	Diluted	6.46
- Statutory Dividend rate	%	10.00%

5 GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (AS PER MONETARY TERMS):

- Item Code No.	N.A.
- Service Description	GYMNASIUMS

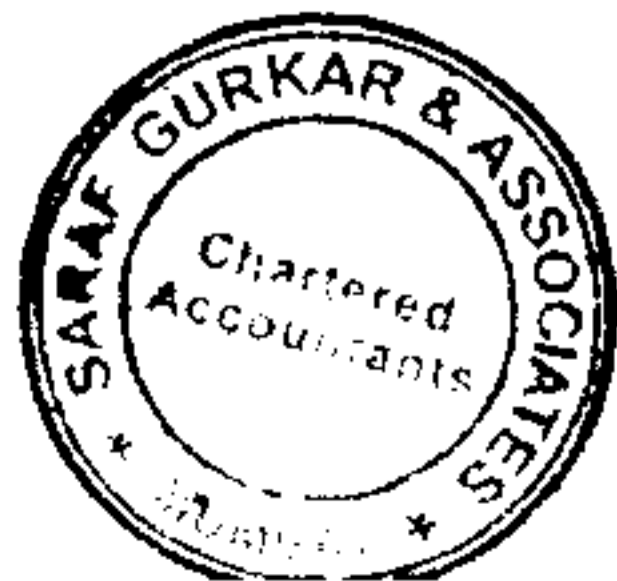
FOR AND ON BEHALF OF THE BOARD


P.S. TALWALKAR
Managing Director
& Chief Executive Officer


A.R. GAWANDE
Director
& Chief Financial Officer


Avanti Sankav
Company Secretary
& Compliance Officer

Place: Mumbai
Date : 14th June 2011





Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF
TALWALKARS BETTER VALUE FITNESS LIMITED

We have audited the attached Consolidated Balance Sheet of Talwalkars Better Value Fitness Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2011, and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

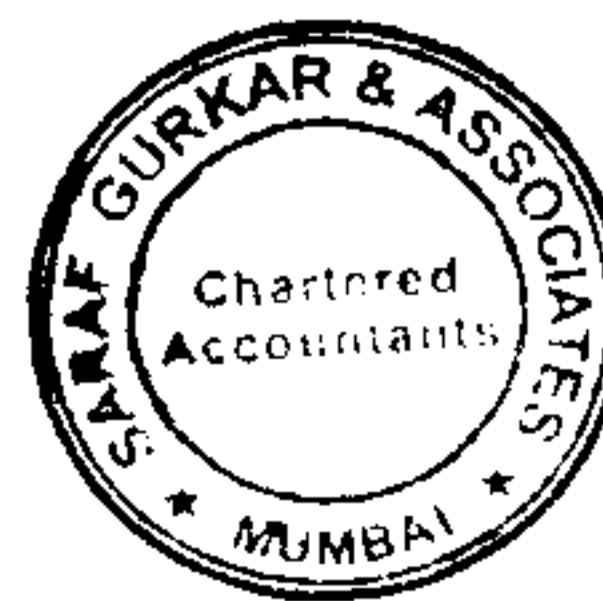
We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We did not audit the financial statements of Aspire Fitness Private Ltd. and Equinox Wellness Private Limited, subsidiaries, whose financial statements reflect total assets of Rs. 911.10 Lacs as at 31st March, 2011, total revenue of Rs. 498.22 Lacs and cash flows amounting to Rs.66.42 Lacs for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
2. We have relied on the unaudited financial statements of Denovo Enterprises Private Limited, a subsidiary whose consolidated financial statements reflect total assets of Rs.1417.45 Lacs as at 31st March, 2011, total revenue of Rs. 1035.30 Lacs, cash flows amounting to Rs.6.47 Lacs for the year then ended. These unaudited financial statements as approved by the Board of Directors of the said company have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the said subsidiary Company is based solely on such approved unaudited financial statements. The said subsidiary has not made any provision for deferred Tax in accordance with accounting standard AS 22, the consequential impact thereof on the profit of the subsidiary for the year ended 31st March 2011 and on the Reserves as on 31st March 2011 cannot be ascertained.



3. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006;
4. Based on our audit and on consideration of reports of other auditors on separate financial statements of the Company and on the other financial information of the components, *subject to our comments in paragraph 2 above and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:*
- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Place: Mumbai
Date: June 14, 2011



For SARAF GURKAR & ASSOCIATES,
Chartered Accountants
FRN : 126518W

A handwritten signature in black ink, appearing to read "S. L. SARAF".

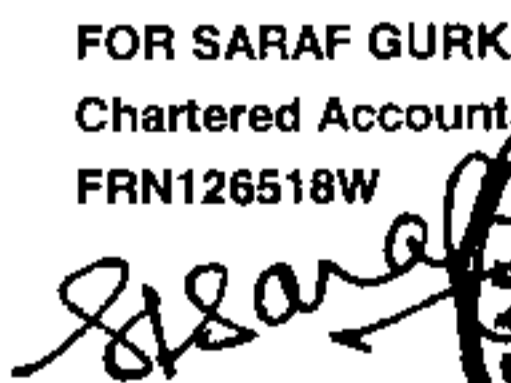
S. L. SARAF
Partner
Membership No. 030866

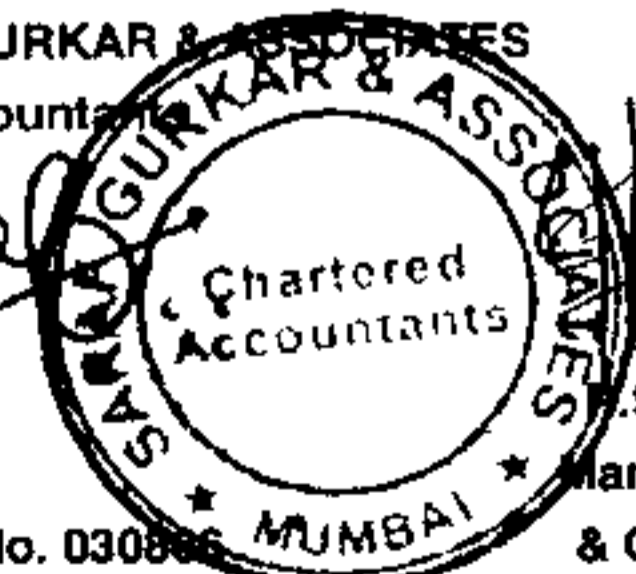
TALWALKARS BETTER VALUE FITNESS LIMITED
CONSOLIDATED BALANCESHEET AS AT 31ST MARCH 2011

	Sch No.	As at 31.03.2011 Rs.
I. SOURCES OF FUNDS:		
1. Shareholders' Funds		
Share Capital	1	241,156,720
Reserves and Surplus	2	1,014,683,247
Capital Reserve on consolidation		1,934,161
		1,257,774,129
2. Minority Interest		21,698,817
3. Loan Funds		
Secured Loans	3	1,074,345,917
Unsecured Loans	4	137,102,880
		1,211,448,797
4. Deferred Tax Liabilities (net)		109,183,835
		2,600,105,578
II. APPLICATION OF FUNDS:		
1. Fixed Assets		
(a) Gross Block	5	2,048,217,268
(b) Less: Accumulated Depreciation/Amortisation		262,860,154
(c) Net Block		1,785,357,114
Capital Work-in-progress		274,252,254
		2,059,609,368
2. Investments	6	86,903,880
3. Current Assets, Loans and Advances		
(a) Sundry Debtors	7	202,698,670
(b) Cash and Bank Balances	8	291,522,456
(c) Loans and Advances	9	242,780,853
		737,001,979
Less: Current Liabilities and Provisions	10	
(a) Current Liabilities		172,792,005
(b) Provisions		113,433,422
		286,225,427
Net Current Assets		450,776,552
4. Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenses		2,815,778
		2,600,105,578
Significant Accounting Policies and Notes to Accounts Schedules referred to above form an integral part of the Financial Statements	19	

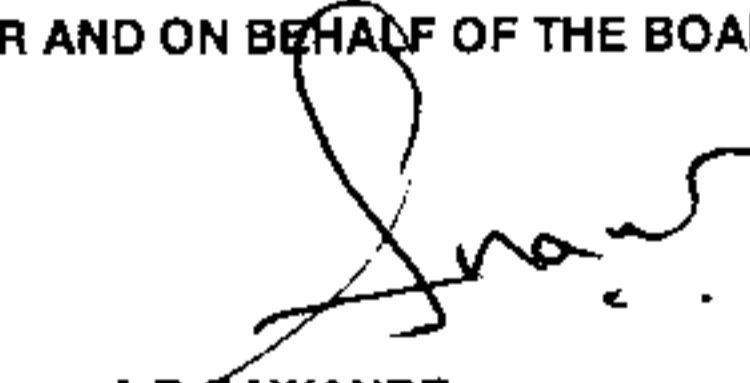
As per our report of even date

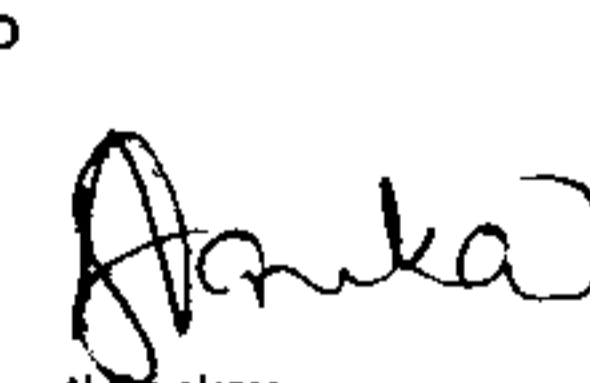
FOR SARAF GURKAR & ASSOCIATES
Chartered Accountants
FRN126518W

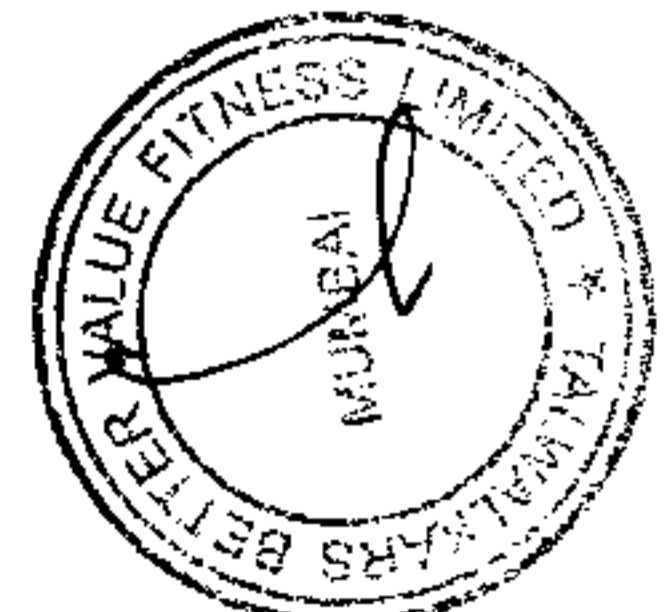

S.L. SARAF
Partner
Membership No. 03089
Mumbai
14th June 2011


S. TALWALKAR
Managing Director
& Chief Executive Officer

FOR AND ON BEHALF OF THE BOARD


A.R. GAWANDE
Whole time Director
& Chief Financial Officer


Avanti Sankav
Company Secretary
& Compliance Officer



TALWALKARS BETTER VALUE FITNESS LIMITED
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Sch No.	Year Ended 31.03.2011
		Rs.
INCOME		
Income from Operations	11	1,022,689,497
Other Income	12	20,747,738
		1,043,437,235
Personnel Cost	13	202,440,217
Administrative and other expenses	14	290,315,707
Selling & Marketing Cost	15	35,073,069
Service Tax Collected & Paid		94,240,538
		622,069,531
PROFIT BEFORE INTEREST, DEPRECIATION , EXTRAORDINARY ITEMS & TAXES		421,367,704
Finance Cost	16	85,933,923
PROFIT BEFORE DEPRECIATION , EXTRAORDINARY ITEMS & TAXES		335,433,781
Non-Cash Charges	17	89,641,841
PROFIT BEFORE EXTRAORDINARY ITEMS & TAXES		245,791,940
Profit/(loss) on Sale of Asset		(3,644,406)
PROFIT BEFORE TAX		242,147,534
Taxation (Net)	18	45,918,584
Deferred Tax		27,797,880
PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST		168,431,070
Share of Minority Interest		8,121,484
PROFIT AFTER TAXATION		160,309,586
Profit Brought Forward from Previous Year		181,043,480
Profit available for appropriations		341,353,066
APPROPRIATIONS :		
Debtore Redemption Reserve		2,260,274
Proposed Dividend on Equity Shares		24,115,672
Tax on Dividend		4,003,202
Balance carried to Balance Sheet		310,973,918
Earnings Per share		
Basic		6.80
Diluted		6.80
Significant Accounting Policies and Notes to Accounts	19	
Schedules referred to above form an integral part of the Financial Statements		

As per our report of even date

FOR SARAF GURKAR & ASSOCIATES

Chartered Accountants

FRN126518W

S.L.SARAF

Partner

Membership No. 038865

14th June 2011

FOR AND ON BEHALF OF THE BOARD

P.S. TALWALKAR

Managing Director

& Chief Executive Officer

A.R.GAWANDE

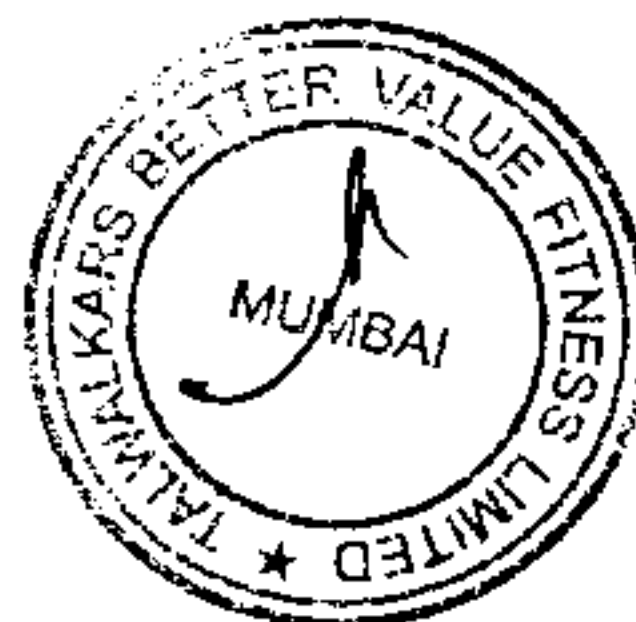
Whole time Director

& Chief Financial Officer

Avanti Sankav

Company Secretary

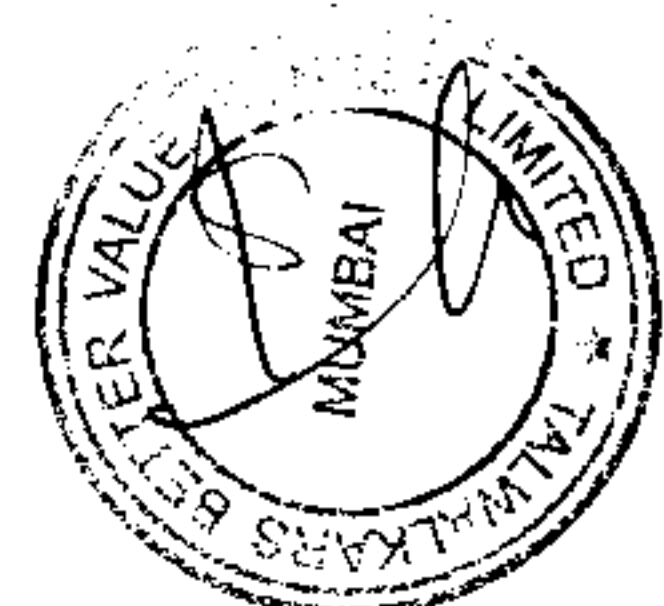
& Compliance Officer



TALWALKARS BETTER VALUE FITNESS LIMITED

CONSOLIDATED CASHFLOW FOR THE YEAR ENDED 31st MARCH 2011

A	CASH FLOW FROM OPERATING ACTIVITIES:	Rs.
	Net profit before Taxes	242,147,534
	Non-cash expenses	90,950,049
	Finance cost (Net)	85,933,923
	Income from Investment activity	(10,841,826)
	Membership Fees received in Advance	-
	(Profit)/Loss on sale of assets	3,644,406
	Provision for Gratuity	-
		169,686,553
	Operating Profit before Working capital changes	411,834,087
	(Increase)/Decrease in Current Assets	(49,316,393)
	(Increase)/Decrease in Trade and other receivables	(167,725,181)
	Increase/(Decrease) in Trade and other payables	45,905,732
		(171,135,843)
	Cash generated from operations	240,698,244
	Direct taxes paid	(52,259,407)
	Share of Minority Interest	(25,698,090)
	Net cash from operating activities	162,740,746
		162,740,746
B	CASH FLOW FROM INVESTING ACTIVITIES:	
	Investment in Joint Venture	(10,608,700)
	Payment towards purchase of Fixed Assets, CWIP	(791,680,204)
	Proceeds from sale of fixed assets	100,000
	Dividend Received	9,988,816
	Purchase of Short Term Investments	(1,240,600,000)
	Proceeds from sale of Short Term Investments	1,205,974,313
	Share of Minority Interest	43,575,441
		(783,250,334)
	Net cash (used in)/from Investing activities	(783,250,334)
		(783,250,334)



TALWALKARS BETTER VALUE FITNESS LIMITED

CONSOLIDATED CASHFLOW FOR THE YEAR ENDED 31st MARCH 2011

C	CASH FLOW FROM FINANCING ACTIVITIES:	
	Share issue Proceeds (net of refund inclug security premium)	771,854,177
	Issue proceeds from NCD	300,000,000
	NCD interest	-
	IPO related expenses	(58,747,493)
	Borrowings done	301,763,908
	Repayment of Long term and other borrowings	(388,352,561)
	Finance cost paid	(111,625,165)
	Dividend Paid	(12,057,836)
	Dividend Tax Paid	(2,049,229)
	Share of Minority Interest	(21,048,243)
	Net cash used in Financing Activities	779,737,556
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	159,227,969
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD AFTER MINORITY INTEREST	120,413,438
	Cash & Bank Balance including Fixed Deposits	291,522,456
	Balance in Cash Credit facility	(5,654,453)
	Less : Share of Minority Interest	(6,226,596)
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD AFTER MINORITY INTEREST	279,641,407

As per our report of even date

FOR SARAF GURKAR & ASSOCIATES

Chartered Accountants

FRN126518W

S.L. Saraf

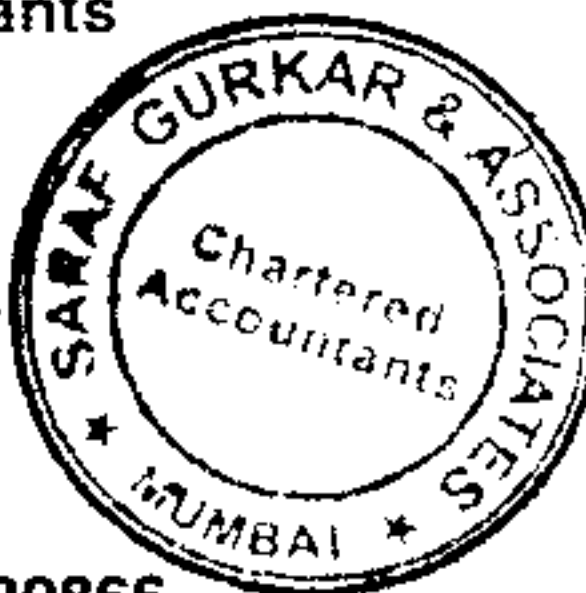
S.L.SARAF

Partner

Membership No. 030866

Mumbai

14th June 2011



P.S. Talwalkar

P.S. TALWALKAR

Managing Director

& Chief Executive Officer

FOR AND ON BEHALF OF THE BOARD

A.R. Gawande

A.R.GAWANDE

Whole time Director

& Chief Financial Officer

Avanti Sankav

Avanti Sankav

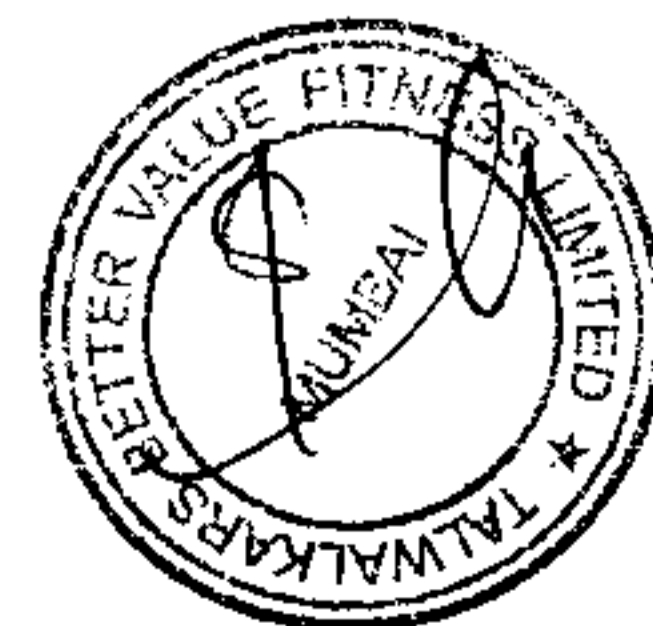
Company Secretary

& Compliance Officer



TALWALKARS BETTER VALUE FITNESS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT
31ST MARCH 2011

		As at 31.03.2011
		Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
30,000,000 Equity Shares of Rs. 10/- each		300,000,000
		300,000,000
<u>Issued, Subscribed and Paid-up</u>		
Equity Shares		
2,41,15,672 Equity shares of Rs. 10 Each Fully Paid up		241,156,720
(a) of the above, 550,000 shares were allotted as Fully paid up pursuant to the Agreement for takeover of business and issued in consideration received other than in cash.		
(b) of the above, 70,260 Equity Shares were allotted against redemption of Preference Shares		
(c) of the above, 15807463 Equity Shares have been issued by way of bonus by capitalising Reserves		
		241,156,720
SCHEDULE 2		
RESERVES AND SURPLUS		
(a) Securities Premium		
Balance in Securities Premium		58,845,345
Add : Securities Premium received on Issue of shares		713,900,000
		772,745,345
Less : Less Adjustments of Share issue / Debenture issue expenses		71,296,290
		701,449,055
(b) Debenture Redemption Reserve		2,260,274
(c) Balance in Profit and Loss Account		310,973,918
		1,014,683,247
SCHEDULE 3		
SECURED LOANS		
(a) Secured Loans (Term loan and acceptances)		768,691,464
(b) Cash Credit Facility		5,654,453
(c) Redeemable Secured Non-Convertible Debentures		300,000,000
		1,074,345,917
SCHEDULE 4		
UNSECURED LOANS		
		137,102,880
		137,102,880

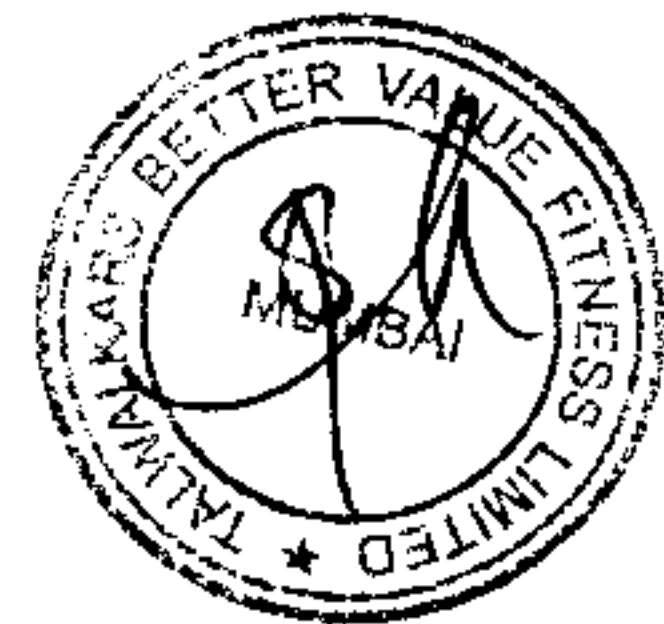


TALWALKARS BETTER VALUE FITNESS LTD.

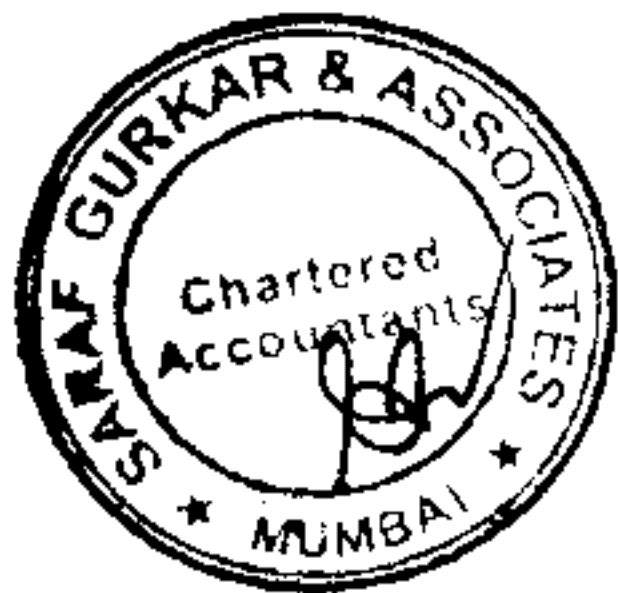
Schedule annexed to and forming part of Consolidated Balance Sheet as at 31 March , 2011

SCHEDULE : 5 FIXED ASSETS

Particulars	Gross Block				Depreciation			Net Block	
	As at 01- Apr.- 10	Addition During the Year	Deletion During the Year	As at 31-Mar-11	As at 01- Apr.- 10	For the Year	Adjustment For the Year	As at 31-Mar-11	As at 31-Mar-11
Goodwill	56602634	-	-	56602634	7854203	2863038	-	10717241	45885393
Immovable Property	71534842	2,936,671	-	74,471,513	7676070	1,532,368	-	9,208,438	65,263,075
Furniture & Fixtures	541,022,282	222,821,921	3,375,617	760,468,586	77547327	39,099,544	1,471,286	115,175,585	645,293,001
Gym and Office Equipments	508,904,370	318,952,999	994,458	826,862,911	56684484	31,070,391	330,953	87,423,922	739,438,989
Computer & Software	14,345,225	7,121,724	-	21,466,949	5707744	2,744,043	-	8,451,787	13,015,162
Franchisee License Fees	300,000	-	-	300,000	166653	33,330	-	199,983	100,017
Other Equipments	-	795,641	-	795,641	-	20,728	-	20,728	774,913
Air-conditioners	85242439	48,520,065	1,428,232	132,334,272	9241813	4,670,719	473,389	13,439,143	118,895,129
Electrical Installations	113813825	61,806,170	705,232	174,914,763	10975972	7,512,750	265,394	18,223,328	156,691,435
Total	1,391,765,617	662,955,191	6,503,539	2,048,217,268	175,854,266	89,546,911	2,541,022	262,860,154	1,785,357,114



TALWALKARS BETTER VALUE FITNESS LIMITED SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011		
		As at 31.03.2011
		Rs.
SCHEDULE 6		
INVESTMENTS		
A: Long term Non-Trade Unquoted, (at cost) :		
Investment in Joint Ventures:		
Fully paid Equity Shares In Joint Ventures Splender Fitness Pvt. Ltd. (Formerly known as Talwalkars Pantaloon Fitness Pvt Ltd.) [140000 Equity Shares of Rs.100/- each fully paid at premium aggregating 3,60,00,000]		50,000,000
B: Current, short term, trade		
<i>(valued at cost or market value whichever is lower)</i>		
Axis Liquid Fund		36,199,716
UTI Treasury Advantage Fund		704,065
		86,903,781
SCHEDULE 7		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period of		
(a) More than Six months		6,418,631
(b) Others		196,280,039
		202,698,670

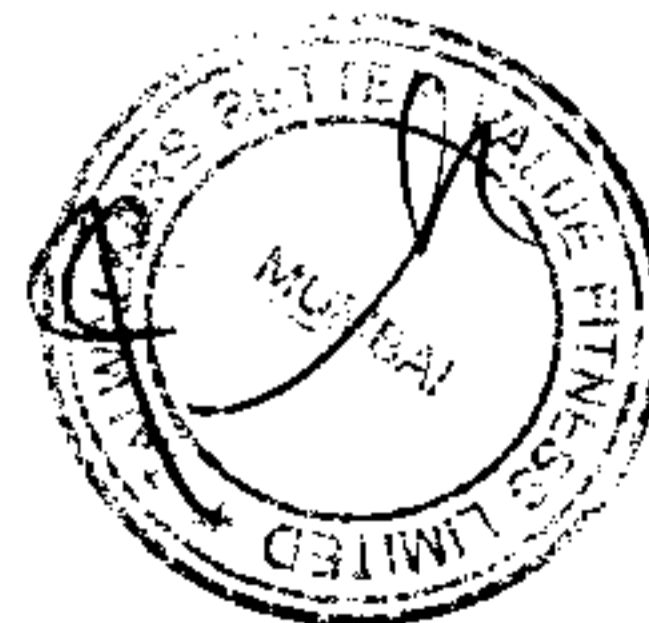


TALWALKARS BETTER VALUE FITNESS LIMITED		
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT		
31ST MARCH 2011		
		As at 31.03.2011
		Rs.
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash on hand		15,961,005
Balances with Scheduled Banks		
In current Accounts		89,092,421
In Fixed Deposits		186,469,031
		291,522,456
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
(a) Advances recoverable in cash or in kind or for value to be received		9,699,619
(b) Deposits		116,730,195
(c) Input Credit Service Tax Carried forward		11,607,979
(d) Income Tax & FBT paid		65,090,086
(e) Prepaid Expenses		3,544,674
(f) Unavailed Service Tax Cenvat Credit		5,662,932
(g) MAT Credit		30,445,368
		242,780,853
SCHEDULE 10		
CURRENT LIABILITIES AND PROVISIONS		
(A) CURRENT LIABILITIES		
(a) Liabilities for expenses		124,623,764
(b) Duties & Taxes payable		22,657,258
(c) Liabilities for Capital goods		25,450,857
(d) Membership fees refundable		60,126
	(a)	172,792,005
(B) PROVISIONS		
(a) Provision for Taxation		77,001,162
(b) Provision for Fringe Benefit Tax		1,984,387
(c) Proposed Dividend on Equity Shares		24,115,672
(d) Provision for Tax on Dividend		4,003,202
(e) Provision for Gratuity		90,643
(f) Provision for Interest on NCD		6,238,357
	(b)	113,433,422
	(a) + (b)	286,225,427



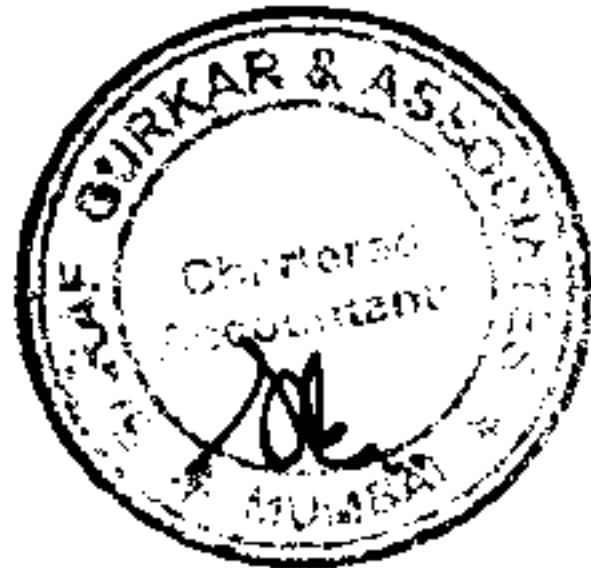
TALWALKARS BETTER VALUE FITNESS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2011

		Period Ended 31.03.2011
		Rs.
SCHEDULE 11		
INCOME FROM OPERATIONS		
Gross Fees including Service Tax		935,402,839
Franchisee Fees including Service tax		64,117,864
Input Credit Service Tax		23,168,794
		1,022,689,497
SCHEDULE 12		
OTHER INCOME		
Income from Juice Centre and Food & Supplements		410,082
Profit/(loss) on Sale of Asset/Investments		853,008
Sundry Credit balances no longer payable		851,779
Dividend From Mutual Funds		9,988,817
Miscellaneous Income		3,148,084
Interest on Bank Term Deposits		5,495,968
		20,747,738
SCHEDULE 13		
PERSONNEL COST		
Salaries, wages and Bonus		25,908,805
Contract fees for Labour/Security/ Housekeeping		168,875,181
Director's Remuneration, Sitting fees		6,752,565
Staff Welfare & Other Amenities		763,490
Contribution towards Group Gratuity Scheme		140,177
		202,440,217
SCHEDULE 14		
ADMINISTRATIVE & OTHER EXPENSES		
Statutory Audit Fees		1,627,340
Internal Audit Fees		1,959,611
AGM Meeting Expenses		158,390
Consumables, Food & Supplements		7,972,400
Electricity & Fuel expenses		64,345,469
Insurance Charges		1,081,877
Juice Centre & Spa Expenses		609,974
Miscellaneous Expenses		5,328,365
Pooja & Special Function Expenses		917,132
Printing & Stationery		3,500,000
Professional Fees		9,780,283
Rates & Taxes		3,350,546
Interest on late payment of Service Tax		2,804,082
Rent		119,008,755
<u>Repairs & Maintenance</u>		
- Building, Gym Equip.. & Machinery		15,272,903
- Others		365,089
ROC Expenses		61,199
Telephone Expenses		5,062,549
Traveling & Conveyance Expenses		3,038,879
Turnkey Project Expenses		41,085,584
Water Charges		2,985,278
		290,315,707



TALWALKARS BETTER VALUE FITNESS LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED MARCH 31, 2011 (CONTINUED)

		Period Ended 31.03.2011
		Rs.
SCHEDULE 15		
SELLING & MARKETING COST		
Advertising Expenses		26,349,193
Business Promotion expenses		8,723,876
		35,073,069
SCHEDULE 16		
FINANCE COST		
Interest on Secured Loan		45,724,557
Interest on Unsecured Loan		23,035,650
Interest on Letter of credit		4,357,818
Processing Fees		593,114
Bank Charges		1,628,257
Interest on Non Convertible Debentures		6,258,904
Credit Card Charges		4,335,625
		85,933,923
SCHEDULE 17		
NON-CASH CHARGES		
Preliminary Expenses w/off		94,931
Depreciation		89,546,910
		89,641,841
TAXATION (NET) 18		
Provision for Current Tax		45,918,584
		45,918,584



TALWALKARS BETTER VALUE FITNESS LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS TO THE CONSOLIDATED STATEMENT OF BALANCE SHEET AS AT MARCH 31, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011.

SCHEDULE '19':

A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

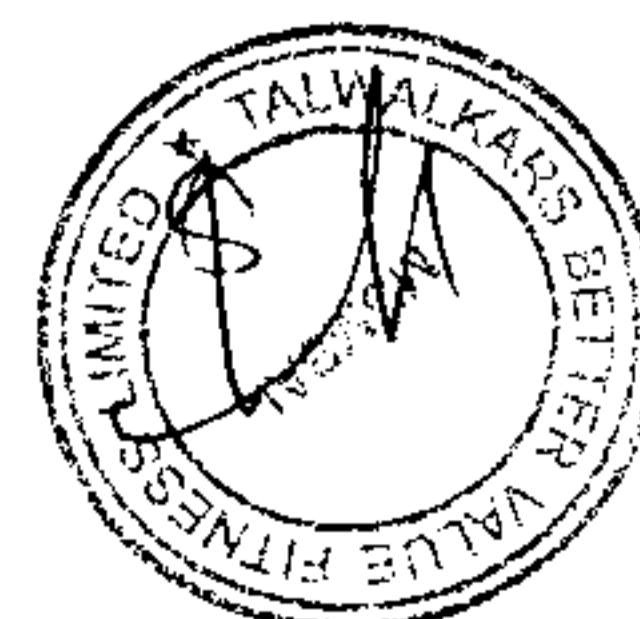
1) Basis of Accounting

a) **Basis of preparation:**

The individual Balance sheet as at March 31, 2011 and Profit and Loss Account for the year ended March 31, 2011 of Talwalkars Better Value Fitness Limited ("the Company") and its subsidiaries, collectively referred to as 'Group', have been consolidated as per principle of consolidation enunciated in Accounting Standard (AS) 21- 'Consolidated Financial Statements' issued by the Council of The Institute of Chartered Accountants of India. The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

b) **Use of estimates:**

The preparation of financial statements required management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenditure for the years represented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.



c) Principles of Consolidation:

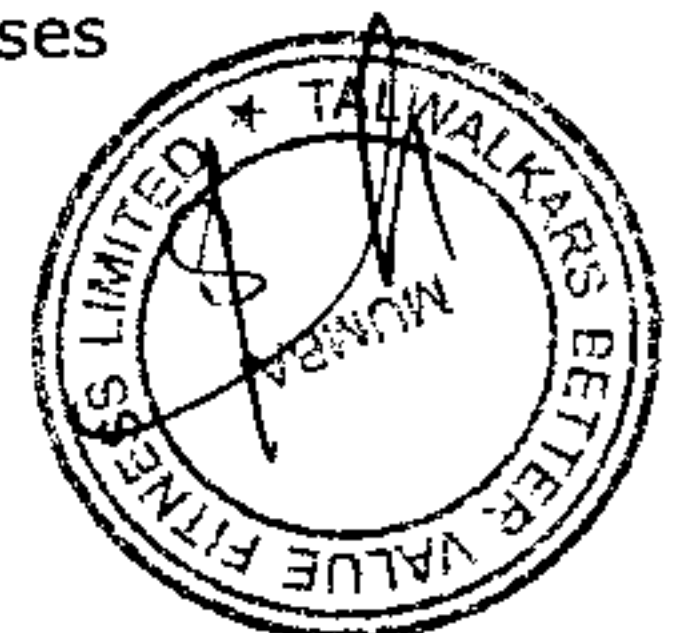
The consolidated financial statements relate to the Company and its three partially owned subsidiaries. The financial statements of the subsidiary company used in consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

1. The financial statements of the Company and its partially owned subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
2. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements. The company's standalone income has been presented by way of the aggregate of gross fees including service tax. However, the subsidiaries have presented income by way of fees excluding service tax. Thus, for the purpose of consolidation, the group's income has been computed by the former method.
3. The subsidiaries considered in the consolidated financial statement are:

Name of Company	Country of Incorporation	% ownership interest as at 31st March 2011
Denovo Enterprises Private Limited	India	50.10%
Equinox Wellness Private Limited	India	33.33% *
Aspire Fitness Private Limited	India	50.001%

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



2) Fixed Assets :

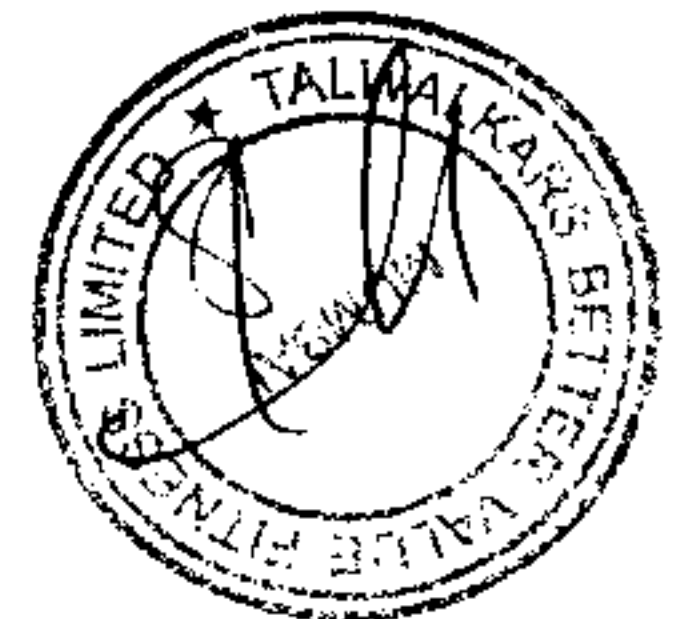
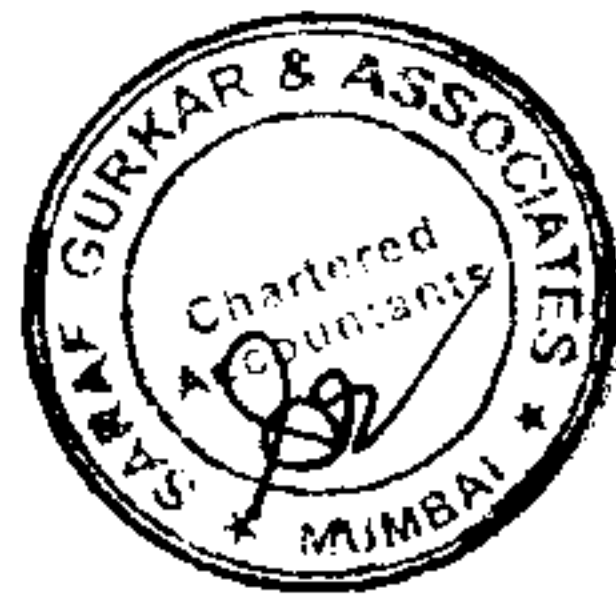
- Fixed assets are stated at original cost, net off tax/duty credits availed if any, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the assets to its present location and condition. Assets acquired by way of slump sale are recorded at book value in the books 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.
- Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.
- Intangible assets are recorded at the consideration paid for acquisition and are carried at cost less accumulated amortization.

3) Depreciation/Amortisation :

- Depreciation on all fixed assets is provided pro-rata from / up to the date of acquisition / disposal using the straight line method at the rates prescribed by Schedule XIV of the Companies Act, 1956.

4) Provisions, Contingent Liabilities and Contingent Assets:

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

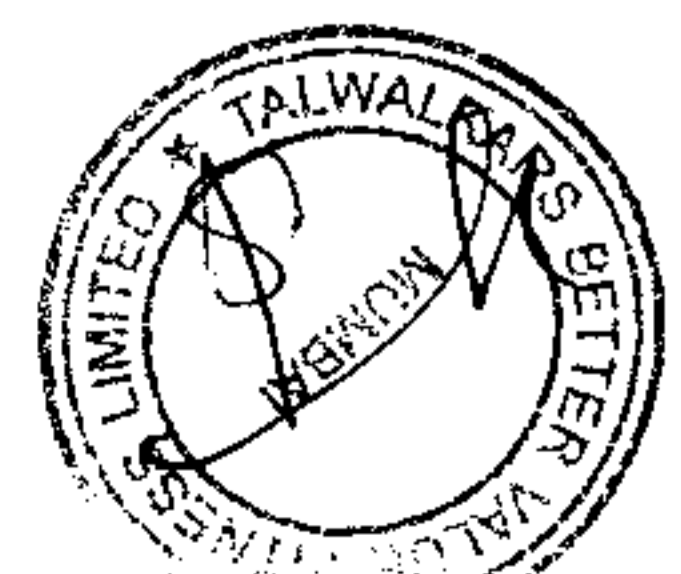
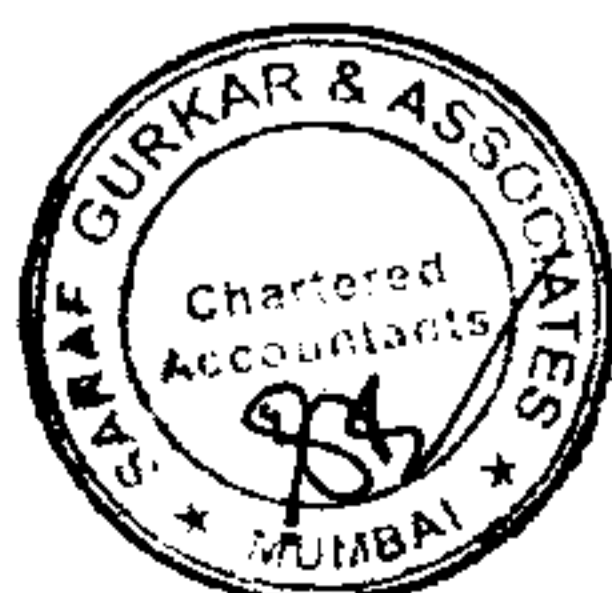


5) Revenue Recognition:

- Income from Fees and subscriptions, recorded net of discounts and rebates have been recognised as income for the year irrespective of the period, for which these are received. However, the Fees receivable from existing members as at the end of the year has been recognised as income for the year.
- The costs relating to rendering of these services being unascertainable are charged off to revenue in the year in which they become legally payable.
- Input credit availed on Service Tax through revenue expenses paid are accounted for separately as income, thus accounting the expenses at their gross values inclusive of service tax. Expenses on which service tax is paid in subsequent year are booked net off the Un-availed Service Tax at end of the year.
- Income by way of Franchise Fees (including up-front fees) received pursuant to franchise agreements entered are recognized as income of the period in accordance with terms of the agreement, and as per data submitted by the franchisees.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Any other income i.e. from juice bar sales, consumables etc are recognised on receipt basis since the realizations there-from are immediate and no credit is allowed to the customers / members.

6) Impairment of Assets:

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



- The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

7) Employees benefits:

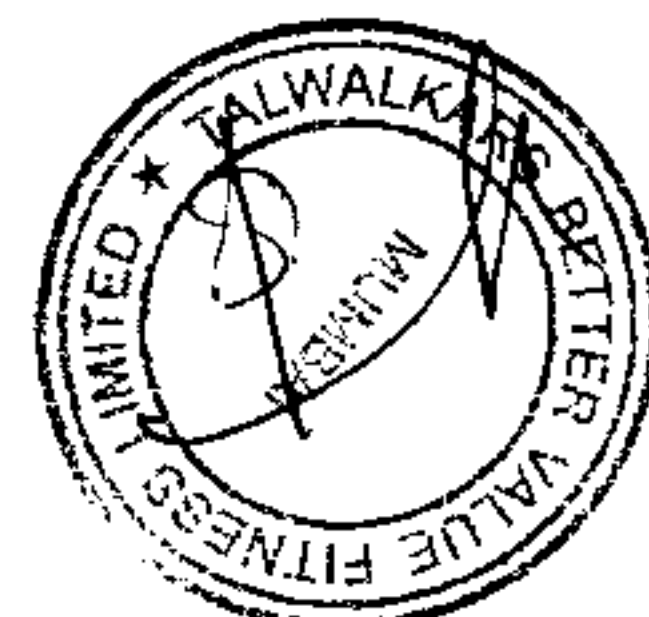
- All employee benefits payable wholly within twelve months of rendering the service are classified as a short term employee benefits. Benefits such as salaries, wages, contractual labour charges and short term compensated absences, etc is recognized in the period in which the employee/contractual labour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

8) Borrowing Cost:

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

9) Foreign Currency Transactions:

- Exchange differences are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are:



- Up to 31st March 2008, the same were recognized as income or expense in the period in which they arise and,
- Thereafter, were adjusted in the cost of fixed assets specifically financed by the borrowings to which the exchange differences relate.

10) Taxes on Income

- Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred Taxation is recognized for all timing differences between accounting income and taxable income and is quantified using enacted / substantial enacted tax rates as at balance sheet date. Deferred Tax asset are recognized subject to the management's judgment that the realization is virtually / reasonably certain.

11) Investments:

- Long term investments are stated at cost, less any provision for diminution (other than temporary) in value. Current investments are stated at lower of cost and fair value.

12) Segment Reporting

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

13) Leases

- Lease rentals / License fees in respect of assets under operating lease are charged to the Profit and Loss account.

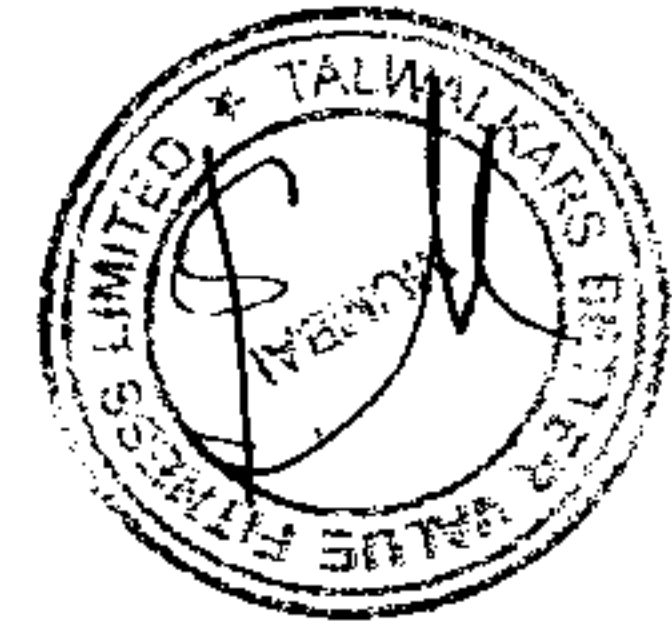


14) Earnings per share:

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

15) 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 consist of cash on hand, balances in Current, Fixed deposit and Cash Credit Accounts with Bank.



B) NOTES TO CONSOLIDATED FINANCIAL STATEMENT:

1. Contingent Liabilities :

Contingent liabilities not provided for in respect of (Rs. in lacs)

	2010-11
Income Tax demands (net of amount paid in protest) A Y 2006-07	19.00
Bank Guarantee given on behalf of Joint Ventures	472.50
Claim from a landlord, appeal pending before the Judiciary	Not ascertainable
Claim by Advertising agency #	6.39

8800 GBP @Rs.72.59 (as on 31.03.2011)

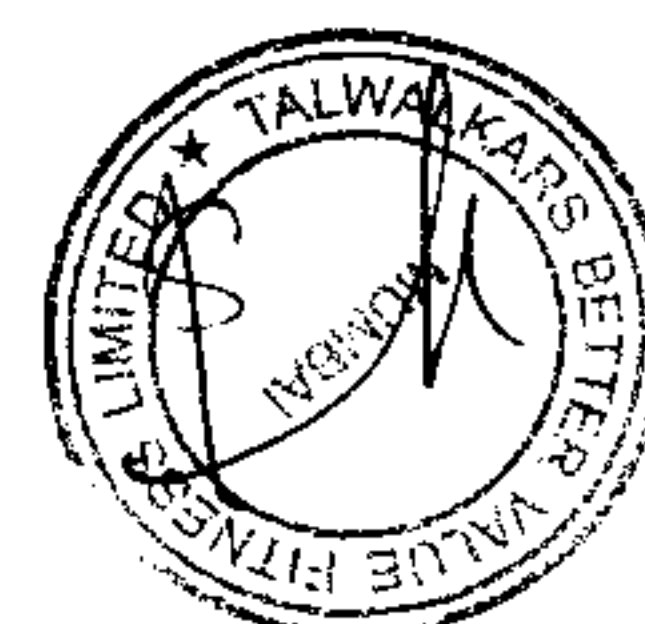
2. Security against Secured Loans Availed : [Refer Schedule 'B' to accounts]

A) Talwalkars Better Value Fitness Ltd.

- All loans, which include sub limit of Inland and Foreign Letter of credit and cash credit facility are sanctioned by Union Bank, of India are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage of immovable premises of the Company, corporate guarantee and collateral security by way of equitable mortgage of premises situated at Tardeo and Mahalaxmi, Mumbai of third parties and the personal guarantee of three Directors of the Company.
- The abovementioned Foreign / Inland Letters of Credit availed by the Company have been shown under "Acceptances" under the head "SECURED LOANS".

B) Aspire Fitness Pvt. Ltd.

All loans, which include sub limit of Inland and Foreign Letter of credit and cash credit facility are sanctioned by Axis Bank are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums and the personal guarantee of two Directors of the Company.



C) Equinox Wellness Pvt. Ltd.

All loans are sanctioned by Axis Bank are secured primarily against the first hypothecation charge on the entire movable Fixed Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums.

D) Denovo Enterprises Pvt. Ltd.

All loans are sanctioned by Axis Bank are secured primarily against the first hypothecation charge on the entire movable Fixed Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums.

3. Disclosure pursuant to Accounting Standard (AS) 11:

In line with the amendment to Accounting Standard (AS) 11 as per the Notification No. G.S.R. 225 (E) dated 31st March 2009, the foreign exchange gains has been adjusted to the cost of the fixed assets as on 31st March 2011.

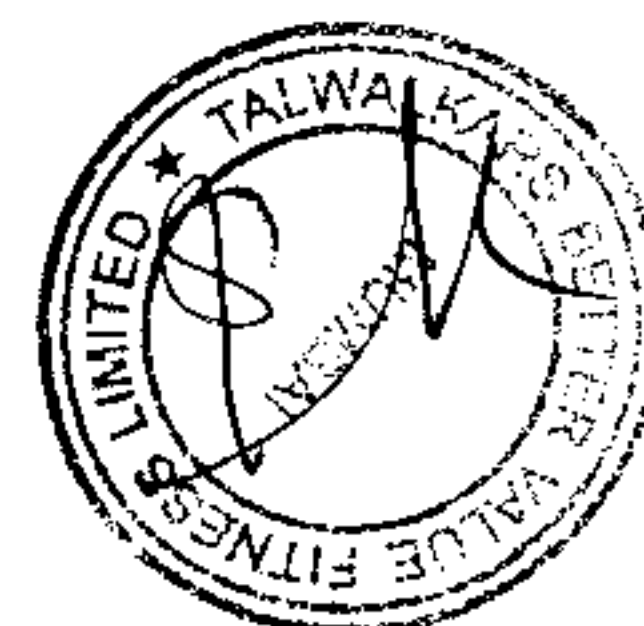
4. Related Party Disclosures:

Disclosure as required by the Accounting Standard 18, "Related Party Disclosure" is given below:

List of Related Parties:

Key Management Personnel

- Talwalkars Better Value Fitness Ltd. (Holding Company)
 - Mr. Madhukar Talwalkar (Executive Chairman)
 - Mr. Prashant Talwalkar (Managing Director & Chief Executive Officer)
 - Mr. Girish Talwalkar (Whole-time Director)
 - Mr. Vinayak Gawande (Whole-time Director)
 - Mr. Harsha Bhatkal (Whole-time Director)
 - Mr. Anant Gawande (Whole-time Director & Chief Financial Officer)
- **Denovo Enterprises Pvt. Ltd.**
 - Late Mr. Vikram Maheshwary (Ex - Whole-time Director)
 - Mr. Harsh Maheshwary (Whole-time Director)
- **Equinox Wellness Pvt. Ltd.**
 - Mr. Abhishek Sharma (Whole-time Director)
- **Aspire Fitness Pvt. Ltd.**
 - Mr. Virendra Sherlekar (Whole-time Director)



Relatives of Key Management Personnel

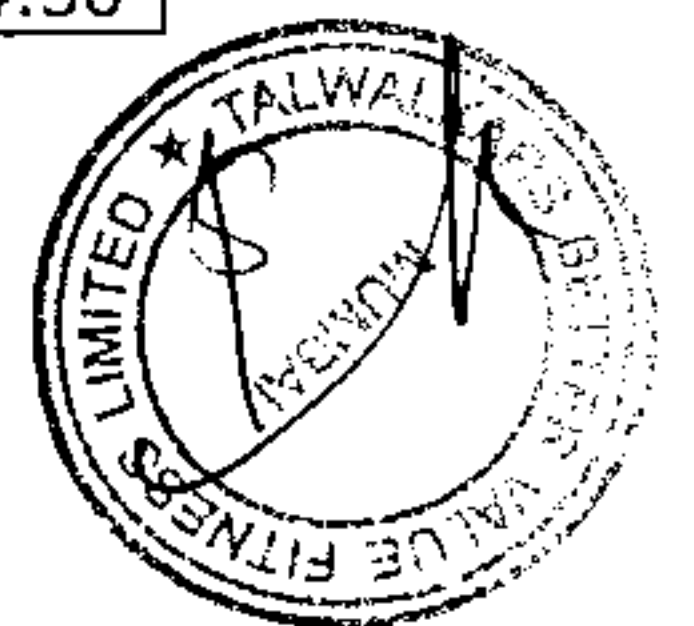
- Mrs. Yamini Anant Gawande
- Mr. Sudhakar Talwalkar
- Kedar Sherlekar

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

- Anfin Investments Private Limited
- Better Value Leasing & Finance Ltd
- Better Value Brands Private Limited
- Better Value Properties Private Limited
- Brainworks Learning Systems Private Limited
- Gawande Consultants Private Limited
- Life Fitness India Private Limited
- Popular Prakashan Private Limited
- Popular Institute of Arts Private Limited
- Radhika Hotels Private Limited
- Pinnacle Fitness Private Limited
- Talwalkars Fitness Club
- Talwalkars Health & Leisure
- Talwalkars Health Club
- Talwalkars Health Complex
- Talwalkars Health Commune
- Talwalkars Nutrition Centre
- Talwalkars
- Anant Gawande (HUF)
- Vinayak Gawande (HUF)
- Nitin Gawande (HUF)
- R2 Infrastructure Private Limited
- R2 Spa Systems
- Indian Cookery.com Private Limited
- Indian Cookery Private Limited
- Splendor Fitness Private Limited

Transactions with Related Parties :**(Rs. In lacs)**

Nature of transactions	Associates	Key Managerial Personnel	Others	Total
Incomes	21.81	0.00	0.00	21.81
Expenses	62.42	19.19	0.00	81.61
Interest on Unsecured Loans	121.30	3.80	6.40	134.53
Purchase of Equipments	66.08	0.00	0.00	66.08
Director's Remuneration	0.00	262.29	0.00	262.29
Transfer of Members Fees	1.26	0.00	0.00	1.26
Investments incl. Share Application Money	0.00	0.00	106.69	106.69
Loans repaid/ (taken) Net	1371.69	0.96	0.00	1372.65
Loans & Advances (given)/ repaid Net	4.30	0.00	0.00	4.30



Balance as at 31st March, 2011 :

Nature of transactions	Associates	Key Managerial Personnel	Others	Total
Investments incl. Share Application Money	0.00	0.00	500.00	500.00
Sundry Debtors	5.24	0.00	0.00	5.24
Deposits	6.13	13.05	0.00	19.19
Loans and Advances	9.17	0.00	0.00	9.17
Unsecured Loans	13.89	0.00	(15)	(1.11)

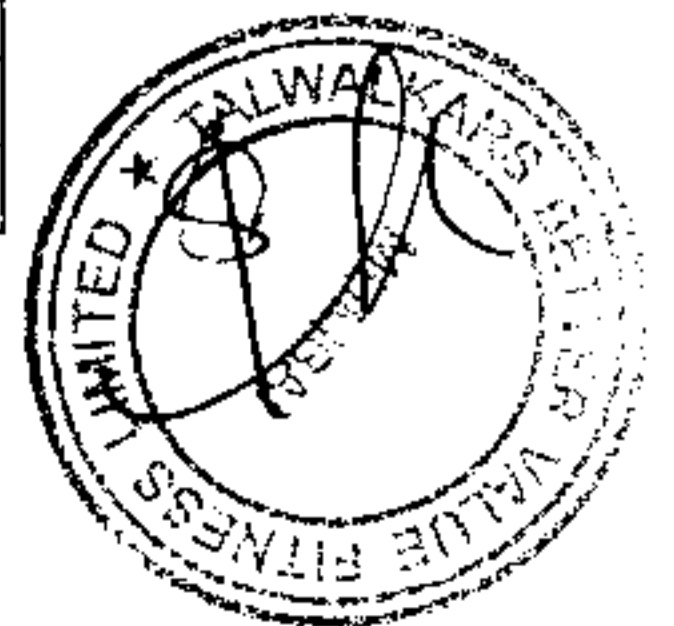
Transactions with Related Parties pursuant to Accounting Standard-18

Key management personnel and their Relatives :		
Name of the party	Nature of transaction	31.03.2011
Mr. Madhukar Talwalkar	Director's Remuneration	42.00
Mr. Prashant Talwalkar	Director's Remuneration Rent for Premises Deposit for premises Deposit outstanding as on	42.00 19.19 - 13.05
Mr. Girish Talwalkar	Director's Remuneration Gym Equipment sold Loans & Advances given/ (taken) Net Loan outstanding as on	42.00 - 0.00 -
Mr. Vinayak Gawande	Director's Remuneration Loans & Advances repaid/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	42.00 - - -
Mr. Harsha Bhatkal	Director's Remuneration	42.00
Mr. Anant Gawande	Director's Remuneration	42.00
Mr. Abhishek Sharma	Director's Remuneration Interest on Loan Loan outstanding as on	6.72 0.66 4.55
Mr. Vikram Maheshwary	Director's Remuneration	3.57

6. Basic and Diluted Earning per Share has been computed as under :

Rs. in Lacs

Particulars	2010-11
Profit After Tax - Before Exceptional Item	1603.10
Weighted Average No. of Shares Outstanding	2,35,68,686
Basic/Diluted EPS - Before Exceptional Item	6.80
Profit After Tax - After Exceptional Item	1603.10
Weighted Average No. of Shares outstanding	2,35,68,686
Basic/Diluted EPS - After Exceptional Item	6.80
Face value per share	Rs.10 per share



7. Details of Deferred Tax Asset / (Liability) are as under:

Nature of timing difference	Deferred Tax Asset / (Liability) as on 1st April, 2010	(Charge) / credit to the Profit & Loss Account	Deferred Tax Asset / (Liability) as on 31st March, 2011
Deferred Tax Liabilities			
Depreciation	(813.86)	(295.85)	(1109.71)
Re-statement of figures at Current tax rates	0	17.88	17.88
Deferred Tax Assets	0	0	0
Net Amount and consequent increase / decrease in Net Profit and Reserves	(813.86)	(277.97)	(1091.84)

Denovo Enterprises Pvt. Ltd. one of the subsidiaries, has not computed and provided Deferred Tax for the year ended 31st March 2011. Hence, the consequential impact on the profits of the Group for the year ended 31st March 2011 and on the reserves as on 31st March 2011 cannot be ascertained

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

9. The operations of the Belgaum and Koramangala Branches have been temporarily suspended due to some disputes. The company has already filed legal cases against the same and on the basis of advice of its legal counsel, is confident of favourable outcome and early recommencement of operations of the branches.

10. The Previous year's figures have not been given as the consolidated Financial statements have been prepared for the first time for the financial year end 31st March 2011.


As per our report of even date


For **SARAF GURKAR & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN: 126518W


S.L.SARAF
Partner
 Membership No. 030866
 MUMBAI
 14th June 2011



For & on behalf of the Board


A.R.GAWANDE
Whole time Director & Chief Financial Officer


P.S.TALWALKAR
Managing Director & Chief Executive Officer


Avanti Sankav
Company Secretary & Compliance Officer



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO
SUBSIDIARY COMPANIES ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 2011**

(Rs. In Lacs)

Name of the Subsidiary Company	The Financial Year of the Company ended on	Holding Company's Interest as at close of financial year of subsidiary company		Net aggregate amount of subsidiary company's profit after deducting its losses or vice-versa, so far as it concerns members of the Holding Company which are not dealt within the Company's account		Net Aggregate amount of subsidiary company's profit after deducting its losses or vice-versa, dealt within the Company's account	
		Shareholding	Extent of Holding %age	For the current financial year	For the previous financial year	For the current financial year	For the previous financial year
Denovo Enterprises Private Limited	31st March, 2011	50,100 Equity shares of Rs. 100/- each.	50.1%	-	-	63.42	*
Equinox Wellness Private Limited	31st March, 2011	* 2,00,400 Equity shares of Rs. 10/- each	33.4%	-	-	1.08	*
Aspire Fitness Private Limited	31st March, 2011	50,001 Equity shares of Rs. 100/- each.	50.001%	-	-	15.90	*

* Holding Company holds 50.1% of the paid-up capital of Denovo Enterprises Private Limited which, in turn, holds 66.67% of the paid-up capital of Equinox Wellness Private Limited of 6,00,000 Equity shares of Rs. 10/- each. Accordingly, Holding Company holds 33.4% of the paid-up capital of the Equinox Wellness Private Limited. (50.1% of the 66.67% of the paid-up capital)

* The Company has published the Consolidated Financial results for the first time and hence the comparative figures for the corresponding period in the previous year are not provided.



FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. In Lacs)

Name of the Subsidiary	Capital	Reserve	Total Assets	Total Liabilities	Investment*				Turn over**	Profit before Tax	Provision for tax	Profit after tax	Proposed dividend
					Government Securities	Shares, Debentures, Bonds & Others	Units of Mutual Funds	As sociate					
Denovo Enterprises Private Limited	100	172	1377	1145	-	40	-	-	1141	126	(1)	127	-
Equinox Wellness Private Limited	60	(29)	208	177	-	-	-	-	115	1	(2)	3	-
Aspire Fitness Private Limited	100	25	703	578	-	-	-	-	433	63	31	32	-

* Excluding Investment in Subsidiaries

** The above turnover of the subsidiary is inclusive of Service Tax so as to be in conformity with the accounting policies of the holding company.

Note:

The Ministry of Corporate Affairs, Government of India vide its General Circular No: 2/2011 No. 51/12/2007-CL-III dated 8th February, 2011 and General Circular No: 3/2011 dated 21st February, 2011 issued under Section 212(8) of the Companies, 1956, has granted general exemptions to the Companies from attaching the documents of the Company's subsidiaries, required to be attached under Section 212(1) of the Companies Act 1956. However annual accounts of the Subsidiary Companies and the related detailed information will be made available to the investors of the company and subsidiaries of the Company, seeking such information, at any point of time at the Registered Office of the company and the concerned Subsidiary of the Company.

