

Talwalkars Lifestyles Limited

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

CIN: U93090MH2016PLC280127; Tel.: 022-6612 6300; Fax: 022-6612 6363

email: investor@talwalkars.net website: www.talwalkarslifestyles.com

Date: 26th September, 2017

To,
BSE Limited
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir,

Re: Talwalkars Lifestyles Limited; Scrip Symbol: TALWGYM, Scrip Code: 541545

Sub: Submission of Annual Report of the Company for the Financial Year 2017-18.

We enclose herewith Annual Report of the Company for the financial year 2017-18.

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

Thanking You.

Yours faithfully,
For Talwalkars Lifestyles Limited



Gayatri Valan Prasad
Company Secretary & Compliance Officer



Encl: a/a



**Talwalkars.
India's only
pure-play
listed
gym
company.**

Notice

Notice is hereby given that the Second Annual General Meeting of the members of Talwalkars Lifestyles Limited will be held on Wednesday, the 26th September, 2018 at 1.30 p.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, the reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Report of the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2018;
3. To appoint a Director in place of Mr. Prashant Talwalkar (DIN: 00341715), who retires by rotation and being eligible, offers himself for re-appointment;
4. To ratify appointment of M/s. Lakdawala & Associates, Chartered Accountants, Mumbai (Firm Registration No. 105518W) as Statutory Auditors and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s. Lakdawala & Associates (Firm Registration Number: 105518W), Chartered Accountants, Mumbai, as Statutory Auditors of the Company as approved by the members at First Annual General Meeting, to hold office until the conclusion of Sixth Annual General Meeting of the Company in the calendar year 2022, subject to ratification by the shareholders annually, at such remuneration as may

be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. To appoint Mr. Dinesh Afzulpurkar (DIN: 05313394) as Independent Director and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualifications of Director) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Dinesh Afzulpurkar (DIN: 05313394), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office up to five consecutive years for a term commencing from 29th March, 2018 to 28th March, 2023."

6. To appoint Ms. Farzana Tavadia (DIN: 08098667) as Independent Director and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualifications of Director) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Farzana Tavadia (DIN: 08098667), Director of the Company, who has submitted a declaration

that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office up to five consecutive years for a term commencing from 29th March, 2018 to 28th March, 2023."

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

"RESOLVED THAT pursuant to Sections 42, 71 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or enactment/re-enactment thereof and subject to the provisions of the Articles of Association of the Company, approval of members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for non-convertible debentures, in one or more series or tranches, aggregating

up to ₹ 750 Crores, on private placement basis for the period from 1st October, 2018 to 30th September, 2019 within the overall borrowing limits of the Company, as approved by the members, from time to time and on such terms and conditions as the Board of Directors of the Company may, from time to time determine and consider proper and most beneficial to the Company.

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

By order of the Board of Directors
For Talwalkars Lifestyles Limited

Gayatri Valan Prasad
Company Secretary & Compliance Officer

Date: 12th July, 2018

Place: Mumbai

Registered Office:

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

NOTES

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto. Information pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for directors seeking appointment/re-appointment at Annual General Meeting (AGM) is furnished as annexure.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE SECOND ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the Proxy duly completed and stamped should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not

act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

3. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
5. Members are requested to note that entry to the Meeting Hall/Premises is strictly restricted to the Members/Beneficial owners holding duly filled in attendance slips and proxies holding valid proxy forms.
6. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 8. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2018 to 26th September, 2018 (both days inclusive) for the purpose of payment of dividend, if any, approved by the Members.
 9. The Dividend for the year ended 31st March, 2018 as recommended by the Board, if approved at the Meeting will be paid within the prescribed time limit to those members whose names appear in the Company's Register of Members on 21st September, 2018. In respect of shares in dematerialised mode, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
 10. Members holding shares in electronic mode are requested to intimate any change in their address or bank mandate to their Depository Participants ("DPs") with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to advise any change in their address or bank mandates to the Company's Registrar and Transfer Agents i.e. Link Intime India Private Limited.
 11. Pursuant to SEBI Notification No.MED/DOP/Circular/05/2009 dated 20th May, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTA to enable/effect transfer of shares in physical forms.
 12. Members desiring any information as regards the accounts are requested to write to the Company at least five days before the date of the meeting to enable the management to keep the information ready.
- 13. E-Voting:**
- (i) In compliance with the provisions of Section 108 of the Act and the Rules framed there-under, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited ("CDSL"), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - (ii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again. Members who have not cast their vote by remote e-voting shall be able to exercise their voting right at the Meeting. The Notice of Annual General Meeting is displayed on the Company's website- www.talwalkarslifestyles.com.
 - (iii) The Board of Directors of the Company has appointed Mr. Bharat Upadhyay, Practicing Company Secretary, as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
 - (iv) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 19th September, 2018. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 19th September, 2018 only shall be entitled to avail the facility of remote e-voting.
 - (v) The remote e-voting period begins on 23rd September, 2018 at 9.00 a.m. and ends on 25th September, 2018 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The remote e-voting shall be disabled by CDSL for voting there-after.
 - (vi) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - (vii) The Scrutinizer, after scrutinizing the votes cast through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or Authorised person in this behalf. The results declared along with the scrutinizer's report shall be placed on the website of the Company www.talwalkarslifestyles.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
 - (viii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 26th September, 2018.
- The instructions for shareholders voting electronically are as under:**
1. The shareholders should log on to the e-voting website www.evotingindia.com.
 2. Click on "Shareholders" tab.

3. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Then enter the Image Verification Code as displayed and Click on Login.

4. Select "Talwalkars Lifestyles Limited" from the drop down menu and click on "submit".
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For Members holding shares in Demat/Physical Form

PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with the sequence number 1 then enter RA00000001 in the PAN field.

DOB # Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details # Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

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

7. After entering these details appropriately, click on "SUBMIT" tab.

8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on the resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

10. Click on the EVSN of Talwalkars Lifestyles Limited.

11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

16. If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

17. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

18. Non – Individual Shareholders and Custodians:

- Non – Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 5 & 6

Pursuant to the provisions of Section 149 read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The following directors on the Board of your company qualify as Independent Directors under Section 149 of the Companies Act 2013 ('Act') and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Mr. Dinesh Afzulpurkar
2. Ms. Farzana Tavadia

The Company had appointed the Directors as Additional Directors with effect from 29th March, 2018 in the Non-Executive, Independent category to hold office upto the conclusion of second annual general meeting.

None of the aforementioned Directors is disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors and also meet with the criteria of independence as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They are independent of the management.

None of the Directors, Key Managerial Personnel and Relatives of the Directors/Key Managerial Personnel of the Company, other than the Independent Directors being proposed to be appointed, is concerned or interested in the above respective resolutions except to the extent of their shareholding interest.

Your Board recommends the acceptance of the resolution as set out in Item No. 5 & 6 of the Notice of the Meeting.

Item No. 7

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, deals with private placement of securities by a Company. It states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement basis, the Company shall obtain previous approval of its shareholders by the way of special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to enhance long term resources for financing inter alia the ongoing capital expenditure and for general corporate purpose, the Company may offer or invite subscription for non-convertible debentures upto ₹ 750 Crores, in one or more series/tranches on private placement basis to be made during the period from 1st October, 2018 to 30th September, 2019. The issuance of these NCDs will be within the overall borrowing limits of the Company made from time to time.

None of the Directors, Key Managerial Personnel and Relatives of the Directors/Key Managerial Personnel of the Company is concerned or interested in the above resolution except to the extent of their shareholding interest.

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

By order of the Board of Directors
For Talwalkars Lifestyles Limited

Gayatri Valan Prasad
Company Secretary & Compliance Officer

Date: 12th July, 2018
Place: Mumbai

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

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

Name of the Director	Mr. Prashant Talwalkar	Mr. Dinesh Afzulpurkar	Ms. Farzana Tavadia
Date of Birth	16.06.1962	20.08.1938	10.10.1967
Date of first Appointment on the Board	23.04.2016	29.03.2018	29.03.2018
Qualification	Bachelors Degree in Science	Indian Administrative Service	Bachelors Degree in Food Science
Expertise in specific functional area	Health and Fitness Industry	Administration	Food Science and Nutrition
Listed Companies (other than Talwalkars Lifestyles Limited) in which he holds Directorship	Talwalkars Better Value Fitness Limited	Nil	Nil
Membership/Chairmanship of Committees of other Boards of listed companies (other than Talwalkars Lifestyles Limited)	Talwalkars Better Value Fitness Limited:- Management Committee Risk Management Committee	Nil	Nil
Disclosure of relationship between directors inter-se	Nil	Nil	Nil
Share holding in the Company	28,87,780 equity shares of ₹ 10/- each	Nil	Nil

Talwalkars Lifestyles Limited
Registered Office: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026.
CIN: U93090MH2016PLC280127; Tel.: 022-6612 6300; Fax: 022-6612 6363
email: investor@talwalkars.net Website: www.talwalkarslifestyles.com



ATTENDANCE SLIP

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

I/We hereby record my/our presence at the Second Annual General Meeting of the Members of the Company held on Wednesday, the 26th September, 2018 at 1.30 p.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001

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

Name of the Proxy (in block letters)

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

Member's / Proxy's Signature

Note:

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

Route Map to AGM Venue

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





Talwalkars Lifestyles Limited
Registered Office: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026.
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email: investor@talwalkars.net Website: www.talwalkarslifestyles.com



PROXY FORM

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

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

I/We, being the member(s) holding _____ shares of Talwalkars Lifestyles Limited, hereby appoint:

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

as my/our proxy to vote for me/us on my/our behalf at the Second Annual General Meeting of the Company to be held on Wednesday, the 26th September, 2018 at 1.30 p.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001 and any adjournment thereof, in respect of such resolutions as are indicated below:

Item No.	Resolution
1	Adoption of the audited financial statements of the Company for the financial year ended 31 st March, 2018, the reports of the Board of Directors and Auditors thereon
2	Declaration of dividend on Equity Shares for the year ended 31 st March, 2018
3	Re-appointment of Mr. Prashant Talwalkar (DIN: 00341715), who retires by rotation and being eligible offers himself for re-appointment.
4	Ratification of Appointment of M/s. Lakdawala & Associates, Chartered Accountants, Mumbai as Statutory Auditors
5	Appointment of Mr. Dinesh Afzalpurkar (DIN: 05313394), as Independent Director
6	Appointment of Ms. Farzana Tavadia (DIN: 08098667), as Independent Director.
7	Approval for the offer or invitation to subscribe to Non-Convertible Debentures on private placement basis.
8	Approval for change of name of the Company from "Talwalkars Lifestyles Limited" to "Talwalkars Healthclubs Limited" and consequent amendment to Memorandum of Association and Articles of Association of the Company.



Signature of Shareholder

Revenue
Stamp
of
₹ 1/-

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Date: _____

Note:

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

ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING

Dear Members,

This is an Addendum to the Notice of Second Annual General Meeting of the members of Talwalkars Lifestyles Limited to be held on Wednesday, the 26th September, 2018 at 1.30 p.m. at M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001.

The proposed resolution for **change of Name** of the Company from "Talwalkars Lifestyles Limited" to "Talwalkars Healthclubs Limited" along with the statement annexed pursuant to Section 102 of the Companies Act, 2013, setting out the material facts thereto are appended below for your consideration.

SPECIAL BUSINESS:

To change the name of the Company from "Talwalkars Lifestyles Limited" to "Talwalkars Healthclubs Limited" and consequent amendment to Memorandum of Association and Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 4, 13, 14, 15 and all other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules and Regulations framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law(s), regulation(s), guideline(s), and subject to the approvals, consents, sanctions and permissions of the Central Government/ Stock Exchanges/ appropriate regulatory and statutory authorities, consent of the members of the Company be and is hereby accorded to change the name of the Company from **"Talwalkars Lifestyles Limited"** to **"Talwalkars Healthclubs Limited"**.

RESOLVED FURTHER THAT post the aforesaid approvals, the name "Talwalkars Lifestyles Limited" wherever occurs in the Memorandum of Association and Articles of Association and other documents, agreements, letters, papers etc. of the Company be substituted by the name "Talwalkars Healthclubs Limited".

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

By Order of the Board of Directors
Talwalkars Lifestyles Limited

Gayatri Valan Prasad
Company Secretary & Compliance officer

Place: Mumbai

Date: 23rd August, 2018

Registered Office:

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

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

The Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("Demerged Company"/ "TBVFL") and Talwalkars Lifestyles Limited ("Resulting Company"/ "TLL") and their respective shareholders provided for the demerger of Gym and Healthclubs Business of TBVFL to TLL. Thereby, the Gym and Healthclubs Business of TBVFL was transferred to TLL, in the interests of maximizing overall shareholder value.

The word "Talwalkars" is the renowned name in the fitness fraternity and the word "Healthclubs" reflects the business activity of the Company. The Management believes that the proposed new name clearly indicates the business activities of the Company. Therefore, the Company proposes to change the name of the Company from "Talwalkars Lifestyles Limited" to "Talwalkars Healthclubs Limited".

The Company has received the approval from the concerned office of the Registrar of Companies, Ministry of Corporate Affairs, Government of India confirming the availability of the new name

“Talwalkars Healthclubs Limited” vide its letter dated 21st August, 2018. The Companies Act, 2013 requires the Company to obtain the approval of members by way of Special Resolution for the alteration of the Memorandum of Association of the Company in respect of change of name and consequential alteration in the Articles of Association. After obtaining the approval of Shareholders, an application will be made to the Registrar of Companies, for change of name of Company and if approved, the name will be effective from the date of Registrar of Companies approval.

In consideration of the above, your Directors consider the proposed Special Resolution in the interest of the Company and recommend you to approve and pass the resolution provided above to change of name of the Company from “Talwalkars Lifestyles Limited” to “Talwalkars Healthclubs Limited”.

The draft of the amended Memorandum of Association and Articles of Association reflecting the said change is available for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays upto the date of AGM).

None of the Directors, Key Managerial Personnel or Relatives of the Directors/ Key Managerial Personnel of the Company is in any way concerned or interested in the above resolution except to the extent of their shareholding interest.

By Order of the Board of Directors
Talwalkars Lifestyles Limited

Gayatri Valan Prasad
Company Secretary & Compliance officer

Place: Mumbai
Date: 23rd August, 2018

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Prashant Talwalkar	-	Chairman
Girish Talwalkar	-	Executive Director
Dinesh Afzulpurkar	-	Independent Director
Farzana Tavadia	-	Independent Director

COMPANY SECRETARY

Gayatri Valan Prasad

STATUTORY AUDITORS

Lakdawala & Associates
Chartered Accountants,
D14, Bansinagar, Off W. E. Highway,
Borivali (E), Mumbai - 400 066

BANKERS

Axis Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai -
400 083.

REGISTERED OFFICE

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

DEBENTURE TRUSTEES

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

2nd ANNUAL GENERAL MEETING

Wednesday, 26th September, 2018 at 1.30 p.m.
Venue: M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal
Hargovindas Building, 4th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001.

Contents

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and Analysis 30 | Directors' Report 34 | Report on Corporate Governance 55 | Standalone 67 | Consolidated 120

134cr
people in India.

**Second
largest**
population in the world.

A black and white photograph of a muscular man, likely a bodybuilder, in a gym setting. He is shirtless, showing his chest and arm muscles. He is holding a barbell with both hands, and his body is slightly arched, suggesting he is in the middle of a lift or a pose. The background is dark and out of focus, with some red lighting visible on the left side.

**And only one
pure-play listed**

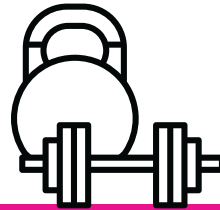
**gym
Company.**

**Talwalkars has entered
the third phase of its
existence.**

**Better equipped than
ever before.**

**To address the vast
under-penetration in India.**

**And cater to the large
Asian opportunity.**



Talwalkars helped organise India's fragmented fitness sector.

Talwalkars democratised organised gym offerings in India.

Talwalkars created a pan-India personality to what still is a localised business.

Talwalkars extended from India to Asia at a time when most competitors are yet to become pan-India.

Talwalkars enhanced brand visibility for a sector that had been largely anonymous.

Talwalkars remains the only listed proxy of the gym business in India.

Talwalkars widened choice across the range of customers – as distinct from addressing only the mid-end variety.

Talwalkars extended the frontier of the business towards wellness (now in another Company).

Talwalkars is the acknowledged thought leader in India's fitness industry.

The first phase of the Company's existence extended from the commencement of business in 1932 to the time the Company was listed. The second phase extended from the time of listing in 2010 to 2018 when the Company was demerged. The third phase of the Company's existence commenced from the time of the demerger.

10 things you need to know about Talwalkars Lifestyles Limited

1 

Basic Fundamentals

Vision: To spearhead the fitness revolution by consolidating its leadership position across South East Asia.

Mission: Continuously enrich customer experience, enhance value for all its

stakeholders and emerge as a strong player in Asia.

Strategy: The Company plans to expand both organically and inorganically through acquisitions or strategic tie-ups.

2 

Promoters

The promoters of the Company possess an experience of over five decades in the Indian fitness industry. The promoters' shareholding was ~37.36% as on March 31, 2018.

3 

Rich Experience

Since its first health club in 1932, Talwalkars has emerged as one of the largest fitness chains in India. The Company provides professional training

across multiple fitness center formats. The promoters directly possess more than five decades of experience in the fitness sector.

4 

Demerger

The synopsis of the demerger scheme was filed with the stock exchanges on March 20, 2018. The NCLT permitted the entire scheme of demerger and ordered that the replacement of names be taken up by the Company independently via ROC approvals. The Company applied to NCLT for a change of name to avoid confusion. NCLT directed that the change of name be done separately following listing. The gyms business was spun off from Talwalkars Better Value Fitness Limited as per the ratio of cost of acquisition (71.04% of the cost of

acquisition of equity of the combined entity). The gym business applied for listing as Talwalkars Lifestyles Limited and was listed on June 29, 2018. The erstwhile Talwalkars Better Value Fitness was demerged into Talwalkars Lifestyles Limited (for the gyms business) and Talwalkars Better Value Fitness Limited (for the lifestyle business). The Company has made an application for a change in its name of its gym business to faithfully reflect the business of the Company.

5



The Talwalkars Brand

The Talwalkars brand is synonymous with fitness in India. Talwalkars is the largest organised fitness chain in India and enjoys a recall for informed training, wide presence and commitment to customer welfare.

6



Multiple Formats

The Talwalkars gyms business comprises five broad categories.

The Talwalkars gyms business is targeted at the upper middle-class in metros, Tier I and II cities. This air-conditioned modern gym consists of trained, dedicated staff and imported equipment, also offering value-added services.

The Talwalkars Premium gyms comprise state-of-the-art gyms positioned to attract the affluent in metro cities and Tier I cities. It comprises cardio sections and strength training zones coupled with personalised services (snack bars and valet services) that enhance service sophistication.

Talwalkars HiFi makes fitness accessible

in remote locations. Its target audience comprises Tier II, III, IV cities and catchment areas of metro cities. It presents a compact and affordable franchise format.

The Talwalkars PWG model is positioned to target the entry-level customer across the periphery of prominent cities and metros. Its USP lies in its circuit training programme, which enables rapid weight loss in an economical and sustainable way.

Talwalkars also possesses exclusive master franchise rights for commissioning Snap Fitness Gyms across six South Asian countries. Snap Fitness, headquartered in Minneapolis, is a recognised global leader in the fitness industry.

7



People

Following the demerger, the Company segregated the two businesses to unleash professional strengths. The gym Company continued to retain qualified trainers to strengthen business sustainability.

8



Alliances

Talwalkars carved out an international presence following the acquisition of Power World Gym, one of the largest health and fitness players in Sri Lanka.

The PWG model was replicated in two metros in India, strengthening visibility and market share. The Company entered into an exclusive master franchise with Snap Fitness Inc. for six South East Asian countries, riding the brand's global

leadership (franchise of 2,500 clubs in 1,450 locations).

The Company will leverage its experience and Snap Fitness' brand recall to enhance business scalability.

The Company also acquired stakes in Growfitter to strengthen its online presence. It acquired Inshape Health and Fitnez Private Limited to enhance its presence in Chennai.

9



Listing

On June 29, 2018, Talwalkars Lifestyle Limited shares were listed on NSE and BSE. The promoters held ~37.36% of the Company's equity capital; public shareholding comprised ~62.64%.

10



Awards and Accolades

- FT High-Growth Companies Asia-Pacific 2008
- Innovative 100 - Certificate of Excellence, 2013
- The Company has been awarded the titles of 'The Region's Top 200 Small and Midsize Companies' by Forbes Asia in 2013

- Talwalkars was ranked among the Top 100 Franchise Opportunities 2016 in 'Franchising World Magazine' survey.
- Big Chennai Pride Award for the city by the city - Best Fitness Center was awarded to Talwalkars in 2018.

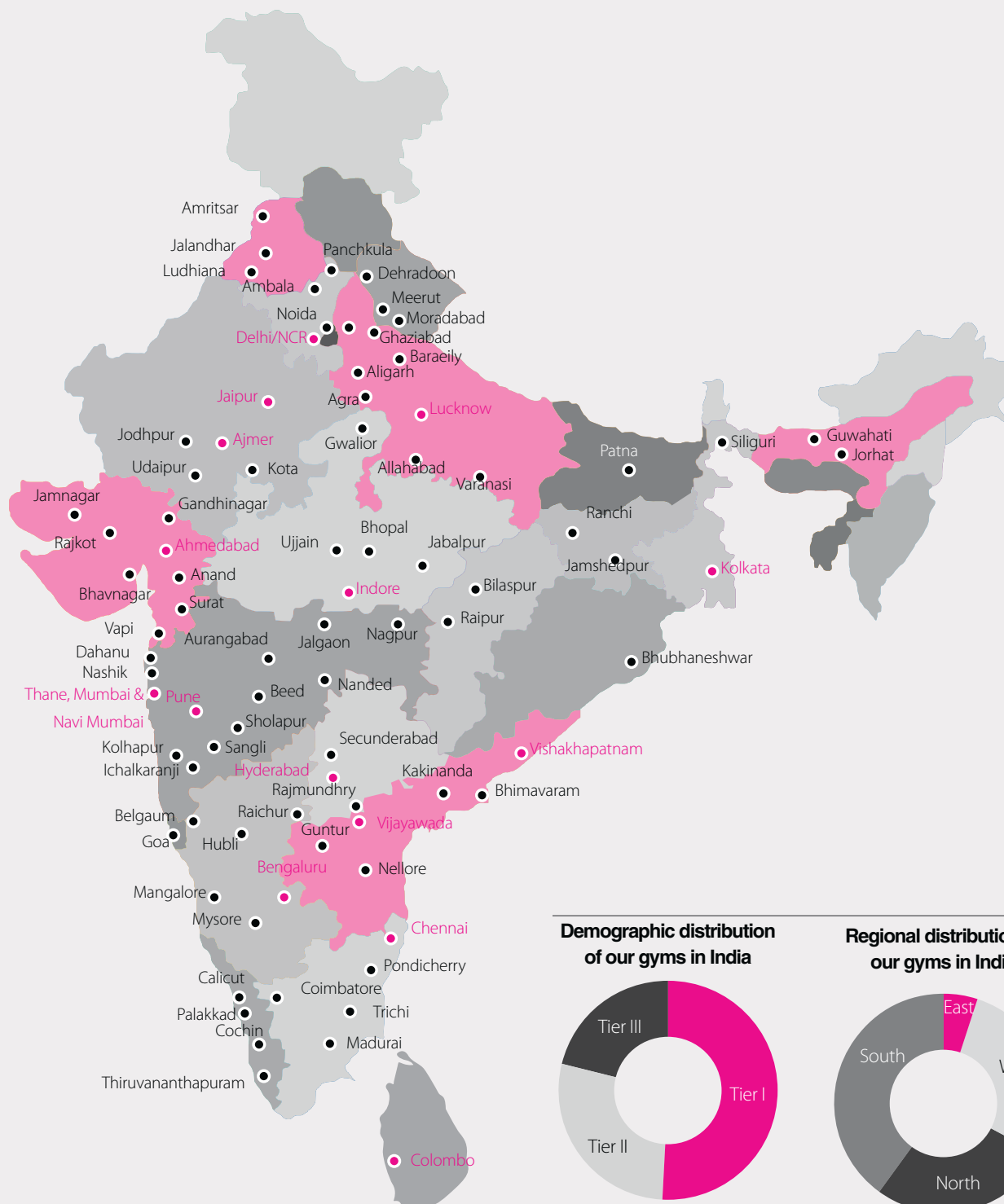
GEOGRAPHICAL FOOTPRINT

Talwalkars is present in **84 cities** across India and Sri Lanka comprising **251 gyms** as on March 31, 2018.

51% of its fitness centers are concentrated in Tier I cities. Its **PWG** model has made the Company a leading player across two metros in India.

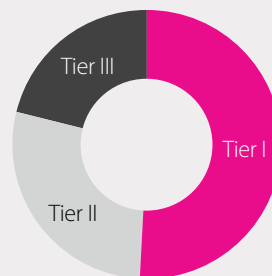
Through its **HiFi** model, the Company aims to penetrate remote locations.

Through its **Snap Fitness** Master Franchise, Talwalkars plans to venture into Singapore, Sri Lanka, Vietnam, Malaysia, Thailand and Bangladesh.



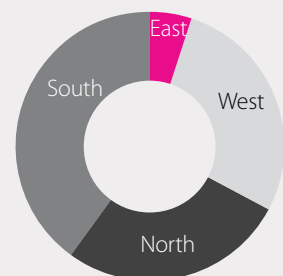
The above map is not to scale and not represent the political map of India and Sri Lanka. Cities highlighted have more than one fitness centre.

Demographic distribution of our gyms in India



■ Tier I: 51% ■ Tier II: 28% ■ Tier III: 21%

Regional distribution of our gyms in India



■ East: 5% ■ North: 27% ■ West: 28% ■ South: 40%

This is what we achieved in FY18.

The core numbers

2,592

Total Revenues (₹ Million)

1,513

EBIDTA (₹ Million)

The profitability

58.38

EBIDTA margin (%)

26.73

Net profit margin (%)

The financial mechanics

22.34

EPS (₹)

0.60

Asset turnover ratio (x)

1,045

Pre-tax profit (₹ Million)

693

Post-tax profit (₹ Million)

17.67

Return on capital employed (%)

15.95

Return on net worth (%)

21

Receivables (days)

0.75

Net Debt-equity ratio (x)



This is how we grew our business in FY18

Highlights for 2017-18

- Spun off the core gym business into a gym Company, enhancing focus
- Enhanced Return ratios by strengthening the fundamentals, optimised operational efficiencies and deployed marketing strategies.
- Expanded the PWG model in India and Sri Lanka (from 50 to 100)
- Moderated capex and opex inspired by the successful PWG model
- Smooth transition to GST, streamlining and availing input tax credit on both sales and purchases
- Upgraded biometric systems to facilitate continuous monitoring, reduce pilferage and enhance customer experience
- Launched user-friendly app for consultation, training, booking classes and appointments etc. to enrich customer engagement.

Highlights, Q1FY18

- Launched 20 PWG gyms in Bengaluru and 10 gyms in Delhi in FY2017. Through this endeavour, the Company successfully executed the PWG model in India. The PWG gyms received an encouraging response, creating a platform for prospective growth.
- Entered into an exclusive partnership with Snap Fitness Inc. for six South East Asian countries – Singapore, Sri Lanka, Vietnam, Malaysia, Thailand and Bangladesh.
- Widened its footprint through the franchise route with a lower capex across these territories.



Highlights, Q2FY18

- Added gym under the franchise model in Siliguri and Jorhat.
- Added 10 PWG Gyms in Delhi, taking the total to 60 such gyms across India.
- Generated significant momentum through the Annual August Scheme that resulted in higher renewal and increased conversion of walk-in into members.

Highlights, Q3FY18

- Added HiFi gym in Vijaywada and Vishakhapatnam.
- The all-inclusive scheme of the previous quarter was well received, strengthening the offtake of value-added services.
- Simultaneously the Company assigned a dedicated team to scout locations for gyms in top cities across India.

Highlights, Q4FY18

- Added four gyms in Sri Lanka (Power World Gym brand)
- Soft-launched 20 PWG gyms in India
- Soft-launched 16 gyms in Sri Lanka (Power World Gym brand)
- Created a team to scout for prospective Snap Brand locations

Fitness centres as on March 31, 2018

Format	Fitness Centers
Owned	
Talwalkars	103
Power World Gym (PWG)	80*
Subsidiaries/Associates	
Talwalkars	9
PWG Sri Lanka	20
Franchise	
Talwalkars	14
HiFi	25
Total	251

*20 gyms soft launched in India and 16 gyms in Sri Lanka

6

PROVOCATIVE IDEAS

Present in 84 cities and towns across India and Sri Lanka and likely to grow faster from this point onwards

Poised to strengthen its foothold in top cities across India through the cluster approach

Tectonic shift to spearhead gyms in prominent cities through low capex and franchise model

Positioned to capitalise on opportunities from being an anchor tenant to creating a qualified pool of trainers and command economies of scale

Strengthened logistics to grow organically and inorganically

Established the expertise to gradually organise the unorganised sector that constitutes ~70% of India's fitness sector



How we are addressing the vast opportunity with a transformed business model



An 80-year focus on India

A new focus on extending the footprint across Asia



An erstwhile focus on in-sourcing capabilities

A new focus on entering into win-win alliances



An erstwhile asset ownership-driven business strategy

A new asset-light franchise-driven business model



A focus on enhancing memberships

A renewed commitment towards enriching membership experience and enhancing shareholder value



The erstwhile consolidated business model addressing fitness and wellness

A focus on gyms, gyms and more gyms

This is what we expect to generate from our singular focus



Stronger brand recall – number one in a field of one (listed)



Superior unit economics and higher EBITDA margins



Scale coupled with an asset-light model



Enhance value through the franchise route



Higher Return on Capital Employed



Cash flow-positive business



Expansion in line with cash profit availability



Stronger debt-equity ratio



Dominant player across Asia



Chairman's overview

Following the demerger,
the time has come for
Talwalkars Lifestyles Limited
to focus exclusively on the
gym business and grow it
diligently – across different
formats, geographies and
countries

Good morning!

I am pleased to share the annual report of Talwalkars Lifestyles Limited following its demerger from Talwalkars Better Value Fitness Limited.

For long, Talwalkars Better Value Fitness comprised two businesses as a singular entity - one that focused on the traditional gyms business and the other focused on wellness.

Even as the intrinsic strength of the core business made it possible to incubate a new business (wellness) from within, the extended gestation made it imperative to nurse this business until such time that it was ready to spin off into an independent identity. The core gym business was spun off to Talwalkars Lifestyles Limited while the wellness business was nested Talwalkars Better Value Fitness Limited.

One share held in the erstwhile Talwalkars Better Value Fitness Limited generated one share in the gym Company and one share in the wellness Company. The creation of two robust and relevant businesses validates our commitment to grow with enhanced focus.

We believe that following the demerger, the enhanced transparency arising out of business segregation will attract focused investors; the growth of each of the business will unlock and enhance value for the respective shareholders across the foreseeable future.

The demerger rationale

The demerger was the result of a conscious focus to unlock the latent potential of the gym business on the one hand and empowering the wellness business to generate sustainable resources leading to sustainable growth on the other.

The gym business of the Company was always high-margin, while the wellness business was cash-intensive in its nascent business-building years. The cash flows generated by the gym business were utilised to incubate and grow the wellness business. The result was that a rapid surplus of one business complemented by forward-looking growth of the other.

Even as the merged business enjoys a higher EBITDA margin, it suffered a considerably low RoCE.

The conclusion was that the Company's operating platform needed to be restructured with the objective to unleash value.

Post-demerger overview

We believe that the core gym business is attractively poised for a sustained growth across relevant indices.

The business provides a unique convergence: a virtually unlimited market, brand positioning, the only listed proxy and an attractive asset-light model.

A singular focus on one line of business is expected to translate into economies of scale, quicker growth and higher profitability.

In turn, we believe that the ability to generate more cash than the Company can consume will make it possible to draw down debt, strengthen the Balance Sheet, combine topline growth with cash-richness, strengthen RoCE and enhance shareholder value.

There are other facets of the standalone gym business that make it compelling.

One, the Company evolved to become multi-brand and is now in a position to enhance revenues and same store growth through online and offline initiatives following a superior and in-depth understanding of customer needs.

Two, the business optimally utilised space within its gyms to provide value added services as a component.

Three, the business already enjoys a high EBITDA margin of 58.38% (FY17-18) with the prospect of superior scale strengthening margins further.

Four, the business calibrated operational efficiencies by aligning employee costs towards a higher variable component. Reduction in rental costs and the efficient consumption of energy complemented our business model. Our strategy is to persistently increase operational efficiencies and enhance return ratios.

Five, the gym's dedicated marketing and sales teams continue to visualise and execute strategies to enhance revenues and target penetration.

Six, the Company is the only pure-play gym fitness player in the second most populous market of the world.

Seven, the difference between our Company and the nearest competitor is significantly vast.

Eight, by the virtue of being the only listed fitness Company in India, we possess a wide range of financial options to grow inorganically, buying prominent local fitness brands. By getting some of these acquired brands to retain their identities in the markets they serve, we would be fast-tracking our presence in various markets while gradually evolving into the most sustainable model.

Nine, we are widening our footprint from the sub-continent to pan-Asia, transforming the scale of our game.

Macro optimism

My enthusiasm with regard to the macro fundamentals of the gym business is drawn from a number of realities. There is a growing incidence of lifestyle disease in India; the country's fitness sector continues to be largely unorganised; most gyms comprise trainers with little or no training; there is a virtual absence of fitness chains across the country; there is a growth in discretionary incomes in India; there is a gravitation towards branded fitness, more than ever before.

In view of these realities, I am convinced that our Company stands at the cusp of attractive sustainable growth.

The Company is focused on forging ahead with its three-fold objective in enhancing shareholder value – revenue growth, controlling costs and being free cash-flow positive.

Acknowledgements

I would like to thank our partners and stakeholders for the confidence they have reposed in our Company. I must also appreciate our employees for their dedication and commitment.

The future is exciting!

Warm regards,

Prashant Talwalkar,
Chairman, Talwalkars Lifestyles Limited

Our growth agenda, 2018-19

- Increase footfalls in gyms
- Rapid growth in the leading 10-12 cities in India
- Rapid expansion of PWG and Talwalkars gyms with city-centric approach
- Enter remote Indian locations through the HiFi franchise
- Venture into six South East Asian countries with Snap Brand.

Our roadmap for 2-3 years

- Establishing Talwalkars as the number one brand in 10 largest Indian cities
- Adding 30-35 centers per year
- Creating a presence in 100 Indian cities
- Increase market share
- Enhancing RoCE
- Moderate the debt-equity ratio

The Company is focused on forging ahead with its three-fold objective in enhancing shareholder value – revenue growth, controlling costs and being free cash-flow positive.



**Presence across
all the price points**

This is what makes the demerged Talwalkars story different

There was a time when going to a gym comprising modern equipment was reserved for the affluent.

Talwalkars is leading the way in democratising organised gym fitness – from its relevance across a select few to a considerably wider number.

Talwalkars has evolved from the offering of a standard gym experience under a consolidated brand a few years ago to offering diverse gym formats across five brands today, each customised around specific customer needs.

The result is that Talwalkars of today addresses the demanding and personalised needs of affluent customers at one end (Talwalkars Premium Gyms) to the attentive needs of a large number of aspiring customers at the other (Power World Gyms).

This wide offering suddenly makes Talwalkars increasingly relevant across a larger market marked by growing incomes and aspirations. Besides, this wider relevance has expanded the potential size of the market: from a scenario when Talwalkars waited patiently for specific markets to mature to a point where it is flexible enough to adapt to a range of market realities.

The ability of Talwalkars to seamlessly address diverse consumer needs and income profiles is expected to create an exciting proposition: the capacity to provide a product for any kind of market reality. Besides, Talwalkars is prepared to secure itself on the large online opportunity by being digitally future-ready.

This adaptability is expected to translate into rapid gym rollout on the one hand and a large member accretion within each gym (same store growth) on the other.

Strengthening volumes at one end and enhancing value at the other.

**Today's
Talwalkars
proposition:
Whenever you
think of fitness,
think of us.**

From India to Asia

This is what makes the demerged Talwalkars story different

There was a time when Talwalkars meant India. The time has come for Talwalkars to become Asian.

Even as the Company will continue to deepen its presence in established locations and enter new ones within its principal market (India), Talwalkars has embarked on widening its footprint across Asian countries with similar demographic profiles and fitness under-penetration.

Talwalkars brings to the Asian opportunity exciting credentials: a market-leading presence in India, one of the largest fitness brands in Asia, the ability to adapt to different geographies and the foresight to enter into business-strengthening alliances.

The Company is addressing the Asian opportunity through various initiatives.

Talwalkars is customising its brand to address these markets. The Company acquired the master franchise of SNAP Fitness across six South East Asian countries in Singapore, Sri Lanka, Vietnam,

Malaysia, Thailand, and Bangladesh. Snap Fitness, headquartered in Minneapolis, is a recognised global leader with more than 30 years of fitness industry experience. With 2,500 clubs open or under development in 24 countries, Snap Fitness is the world's premier 24/7 fitness franchise. Talwalkars will seek to grow this franchise in Asian countries with similar demographics and fitness penetration rates as India.

A couple of years ago, Talwalkars acquired 49.5% in PWG, among the largest fitness chains in Sri Lanka. The Company engaged in cross-synergy: it leveraged the established competitiveness of the PWG model to launch over 90 PWG gyms in India and Sri Lanka under this brand in a span of just three years. While PWG will leverage Talwalkars' ability to manage the business eco-system (scale, brand, people, training and footprint expansion), Talwalkars will leverage PWG's established understanding of gym economies.

49.5%

Talwalkars acquired 49.5% in PWG, among the largest fitness chains in Sri Lanka.

The complement of business acquisition, fast-tracked market penetration, exclusive master franchise agreements and widening geographic relevance is expected to progressively de-risk the Company on the one hand and enhance revenue-accretion possibilities on the other.

Transforming a pan-India brand to pan-Asia.

Our pan-Asia strategy

Singapore

- Gym membership penetration of 5.76%
- High fitness awareness and promotion

Sri Lanka

- Gym membership penetration of 0.5%
- Talwalkars is the number one player (through PWG)

Malaysia

- Gym membership penetration of 1.04%
- Regarded as the most obese nation in Asia
- High fitness market growth

From the manual to the digital

This is what makes the demerged Talwalkars story different

At Talwalkars, we recognise that an increasing proportion of decisions related to gym enlistment will happen through digital means and an increasing control of a widening business will be exercised through cutting-edge technologies.

At Talwalkars we have embraced these technologies to take our business ahead.

On the core business controls side, we invested in the biometric authentication of member entry into our gym premises, investment in Palm Vein Machine to track personal trainer sessions, extensive use of surveillance cameras, linking member loyalty points to member attendance, facility of cashless transactions and a strong centralised platform enhancing checks, balances and accountability.

On the strategic side, we invested in online app and portals related to consultation and training – strengthening our ability to influence prospective members.

Talwalkars acquired a 19% stake in Growfitter, a one-stop for all fitness services within a city. It is India's largest health & fitness discovery portal lists 10000+ fitness centres across 14 cities. The stake has empowered Talwalkars to address a large online market.

Talwalkars has addressed the growing potential of the online market through Growfitter and Fitternity portals. Their presence makes it possible to offer best memberships across a considerably larger audience.

Talwalkars also enhanced its Facebook visibility through digital advertisements and posts reaching reaching lacs of people. Talwalkars has received ~200,000 likes on its Facebook Page. The Company's Facebook Page was cross-promoted by the 95 Big FM radio station. The Company's video posts organically reached 40,000 people.

Widening the Company's

19%

Talwalkars acquired a 19% stake in Growfitter, a one-stop for all fitness services within a city.

appeal faster than ever.

Thailand

- Gym membership penetration of 0.5%
- Government push for health indicates huge potential

Vietnam

- Gym membership penetration of 0.5%
- Fitness segment to grow ~50%
- Low density of modern gyms

Bangladesh

- Gym membership penetration of 0.5%
- Dominated by local players

Talwalkars.

Strengthening our positioning as a one-stop fitness destination for all

Different formats addressing different customer needs

Talwalkars Gyms

Total centers: **118**

Target locations: **Metro, Tier I & II**

Area sq. ft.: **5,000-6,000**

Member capacity: **1,100-1,350**

Format: **Owned and Franchise**

Value delivered

- Enabled Talwalkars to become synonymous with 'Gym' in India
- Introduced an ownership driven, resilient and adaptable business model offering significant growth opportunities
- Enjoys an attractive footprint
- Ultra-modern gym, with imported equipment, fully air-conditioned and highly trained and dedicated staff
- Includes value added services

Talwalkars Premium Gyms

Total centers: **8**

Target locations: **Metro, Tier I**

Area sq. ft.: **6,000-12,000**

Member capacity: **1,800-2,200**

Format: **Owned**

Value delivered

- Set new benchmarks through premium format centres in upscale locations to promote brand visibility and to showcase our premium services.
- Separate cardio section; dedicated strength and weight training zone.
- Differentiated with full service premium offerings and personalised services (including value-added and additional services like WiFi, juice and snack bar, valet service, etc.)
- Internationally qualified fitness trainers and dedicated nutrition experts providing customised programs to help members achieve their fitness goals

Talwalkars Hi-Fi

Total centers: **25**

Target locations: **Tier II, III & IV**

Area sq. ft.: **2,500-2,800**

Member capacity: **650-700**

Format: **Franchise**

Value delivered

- Making fitness accessible in remote Indian locations
- Compact and affordable franchise formats
- Can be launched with a low investment
- Upfront royalty income plus revenue sharing
- Marked by the use of imported equipment and qualified trainers

**Power World Gyms (PWG),
India**Total centers: **60**Target locations: **Metro**Area sq. ft.: **4,000-5,000**Member capacity: **1,300-1,500**Format: **Owned****Value delivered**

- Introduced circuit training programs facilitating rapid weight loss in an economical and sustainable way
- Low cap-ex and higher RoCE model
- Controlled op-ex with lower rentals and staff costs
- City-centric clusterised approach
- Accelerated payback
- Higher occupancy
- Penetrated unorganised sector

**Power World Gyms (PWG),
Sri Lanka**Total centers: **40**Target locations: **Metro**Area sq. ft.: **3,750-4,000**Member capacity: **1,300-1,500**Format: **Owned and Associate****Value delivered**

- #1 gym brand in Sri Lanka with higher occupancy than peers
- Right mix of low cap-ex and low opex gyms
- No frills gym with bigger hall space and smaller wet / shower area
- High RoCE model
- Provides affordable training coupled with modern equipment
- Acquired 49.5% in PWG (Sri Lankan gym chain)

Snap FranchiseTotal centers: **Securing
locations**Target locations: **South East
Asia**Area sq. ft.: **4,000-5,000**Member capacity: **800-1,000**Format: **Master Franchise****Value delivered**

- Tie-up with Snap Fitness Inc., one of the largest gym chains in the world
- Acquired exclusive master franchise for Snap Fitness in Singapore, Sri Lanka, Vietnam, Malaysia, , Thailand and Bangladesh
- Principal headquartered in Minneapolis, a leading global fitness brand
- Founded in 2003 by Peter Taunton, possessing more than 30 years of fitness industry experience
- With 2,500 clubs open or under development across 24 countries, Snap Fitness is the world's premier 24/7 fitness franchise
- Plans to leverage its international brand to widen multi-country presence
- Cautious approach in launching Snap Fitness franchise with proper market survey and expertise

8 principal ways in to enhance

Increase in net worth

Derived from higher retained earnings; would help moderate gearing



Strengthened gearing

Strengthened the net debt equity ratio to 0.75 in FY2018 and further intends to keep a prudential Debt Equity ratio.



Enhance RoCE

Capitalised on franchise opportunity, asset-light approach and the right mix of low capex and opex model.



Accelerate revenues

Intensifying same-store-sales growth. Combating competition with Personal Training and Value Added Services. Strengthened online and offline strategies to augment revenues.



which we intend shareholder value



The Company's interest rates were reduced to 8.65% as per the current MCLR rates. The Company intends to focus on cost management; rent targeted at less than 15% of revenues

**Moderate
costs**



The Company will invest in capex well within its annual cash profit

**Controlled
capex**



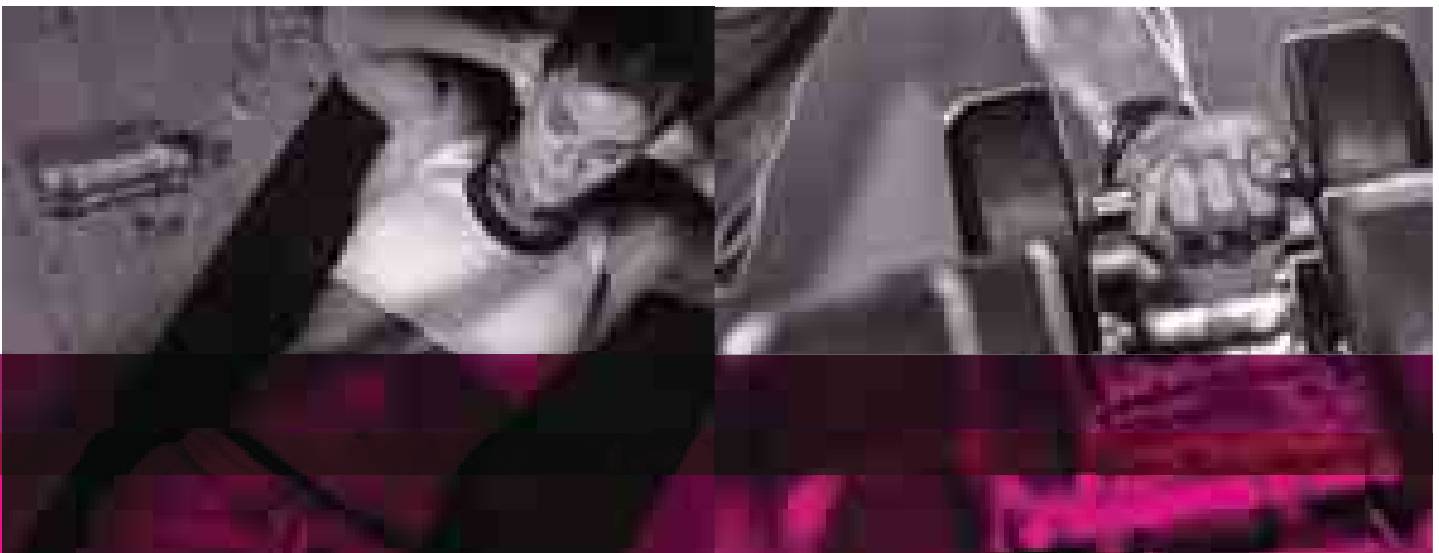
The Company will acquire entities that provide an attractive portfolio of gyms / customers / knowledge / cash flows

**Selective
acquisitions**



Higher EBITDA; Low Capex; Growing franchise model; capex to be within cash flows; enhancing RoCE

**Free
cash flow
positive**



Our business model

What makes us relevant

Population size and growth: India is the second most populous country, adding an indicative 1.5 cr individuals a year – the sign of a market that is likely to keep growing.

Lifestyle: Modern lifestyle is largely sedentary, making it imperative to work out as a programmed activity

Obesity: The dangers of sedentary living are evident - In India, 21% of the adult population is overweight (155 million) - 16% of adult men and 22% of adult women. According to Stanford University, people in India walk an average 4,297 steps a day, less than half the recommended level. (Source: hindu.com)

Disease: India is acknowledged as the world's cardiac capital; it accounts for the third highest number of cancer cases

among women; 89% of its total population suffers from stress compared to the global average of 86%.

Low time availability: India suffers from a low availability of leisure time (on account of long urban commutes), resulting in low fitness.

Increase in disposable incomes: India's disposable incomes increased from ₹1,03,870 in 2016-17 to ₹1,12,835 in 2017-18, strengthening a willingness to invest in gym-based fitness. (Source: TOI)

Expenditure evolution: India is evolving from a high spending on staples to a high spending on discretionary items (apparel, leisure, entertainment, travel and fitness).

Need for training: There is a greater respect for specialised and

personalised training.

Brands traction: There is a greater traction for brands in India as a result of quality safeguards and standardisation on the one hand and better redressal mechanisms on the other.

Extensive under-penetration: The penetration of organised fitness brands is lower than the developed country average; gym penetration in UK and US is 14-18% (2016) compared to less than 0.15% in India.

Youth proportion: India is the youngest country in the world with a median age of around 26; the population under 35 is around 65% of the country's population, enhancing the relevance of fitness among them.

How we responded to sectoral priorities

Big picture: Talwalkars is driven by the objective of emerging among the most respected organised fitness brands in the world, marked by a high RoCE and the capacity to generate the resources of its growth from within – the basis of its multi-year business sustainability.

Asianisation: Talwalkars is one of the largest organised fitness companies in South East Asia, a status achieved largely from its growth within India. The Company intends to grow its presence in Sri Lanka and other Asian countries across the foreseeable future.

Pioneer: Talwalkars was the first (and still the only) within its sector to be listed and the first to be professionally organised in the gyms fitness sector in India. The Company helped democratise India's organised gym sector.

Scale: The business is the largest in its space across India and Sri Lanka. The business has generated a significant portion of capital investments through internal accruals, reinforcing sustainability. This scale has generated attractive economies of scale in the form of

standardised gym formats and stronger negotiation with suppliers.

Knowledge: The business of fitness is knowledge-intensive, marked by a deep understanding of different body types and how the application of different fitness equipment and training regimen can deliver that one constant that every Talwalkars customer seeks – holistic fitness.

Singular focus: Talwalkars brings to the

business of fitness a singular focus, which is now likely to reflect in quicker store rollout within and outside India, fast-tracking the Company's growth into a prominent global brand.

Format-agnostic: Talwalkars is enhancing its relevance in the everyday lives of most urban and semi-urban Indians through a flexibility in applying a customised format for that location rather than let



The Company is planning to accelerate personal training going forward.

the opportunity pass. With its PWG model it is expected to address unorganised competition head-on, deepening the Company's presence and relevance.

Maximising personal training: The Company has strengthened its operations by capturing a rising share of the Indian fitness market and has backed that by offering high margin personal training. The Company is planning to accelerate personal training going forward.

Accretion and exit: Talwalkars will not only add to the number of gyms. By continuously monitoring gym performance, the Company will also be able to take informed calls on advising franchisees to exit from locations where the outlets encounter continuous under-performance.

Asset-light/management-light: Talwalkars is accelerating its asset-lightness. At the close of 2017-18, the Company operated 183 directly-owned fitness centers, 29 centers under its subsidiary and 39 as franchisees through associates across 84 cities and towns in India and Sri Lanka. The Company intends to grow with an appropriate mix of owned and franchise formats. Talwalkars further continues to capitalise on PWGs competence to capitalise on not only moderating expenditure but also accelerating payback period and enhancing long term profitability. The Company's franchise

model Healthy India Fit India (HiFi) gyms generated franchise fees without investing in the property and is expected to launch 11 gyms in the forthcoming year. The Company also expects to launch its gyms under the Snap Fitness brand.

Profitable franchise model: The Talwalkars asset-light growth story is being driven by the robustness of its franchise model. Most franchised outlets were profitable during the year under review. Each gym soon turns net cash-positive following commissioning and enjoys the room to increase membership fees and beat inflation, coupled with high gym member retention.

Clustered hub and spoke approach: The Talwalkars gym rollout will be made around a clustered approach whereby the Company will invest in a hub location followed by a number of spoke outlets, enhancing economies and efficiencies of brand, people, knowledge sharing and marketing spending. The business comprised 211 fitness centers across India, – 5% in East Zone, 28% in West Zone, 40% in South Zone and 27% in North Zone.

Choice: The Company provides a range of offerings – starting with franchised HiFi centers (2500-2800 sq ft) ideal for Tier III and IV locations. The Power World Gyms (4000-5000 sq ft) are located in the relatively low-income pockets of metros and mini-metros. The Talwalkars gyms (5000-6000 sq ft) are either owned by the Company or franchised and generally located in metros, Tier I and II locations. The premium gyms (6000-12,000 sq ft) are located in premium metro and Tier I locations, offering fitness and lifestyle supports.

Leased properties: The Company has strengthened its asset lightness through a conscious decision to lease properties as opposed to direct ownership. In the last three years, the Company negotiated a rent reduction in ~45 gyms and entered into new contracts at lower rentals than the average rentals in metro cities in exchange for multi-year tenancy. Further the Company is able to command competitive rental rates for its new gyms.

Digital: The Company is working on Talwalkars mobile App for members to view schedules, book classes, book appointments, buy personal training sessions, see account details with the convenience of a single click on their personal devices.

Value-added services: The Company plans to combat competition by enhancing revenue per sq. ft. To provide space to the erstwhile Company offering yoga, free-floor exercises, weight loss and nutrition.

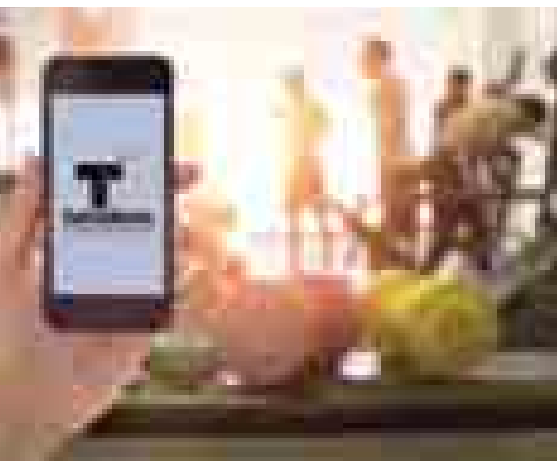
Training: The Company invested in a team to provide periodic training (online and onsite) to gym trainers in South Asia. Its 'rooming training' provides training for 3-4 weeks under one roof, moderating staff costs.

Acquisition strategy: Talwalkars acquired competing local brands while retaining their identities and making it possible to sustain their growth and customer engagement without interruption. This flanking strategy will comprise the exchange of best practices, delegation of day-to-day management to the acquired Company and focused brand investment.

Growth pace: Talwalkars intends to grow to the extent it can fund gym rollout through its internal cash flow. The Company's business model is designed to consistently generate cash higher than business investment, translating into an attractive double-digit RoCE. The low debt would help transfer wealth rapidly to the equity side.

Cost management: Talwalkars reduced costs by aligning employee costs around the variable component. The Company trained all the employees from managers to trainers under one roof for 3-4 weeks. Employees were incentivised for energy cost reduction. The PWG model moderated capex intensity, allowing the Company to commission more gyms within the same capex cycle, reducing the break-even point.

Reinvestment: Talwalkars invests periodically in upgrading gym interiors; with the objective of enhancing contemporariness.



Management discussion & analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Considering the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year.

Outlook

Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated at 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio. The year under review was marked by various structural reforms being undertaken by the Central Government.

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term,

Global economic growth for six years

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

[Source: World Economic Outlook, January 2018] f: forecasted

GDP growth rates of emerging Asian nations

	Cambodia	Laos	Myanmar	Philippines	Vietnam	Thailand	Malaysia	Indonesia
2017	6.8%	6.7%	6.4%	6.7%	6.7%	3.5%	5.8%	5.1%
2018*	6.9%	6.6%	6.7%	6.7%	6.5%	3.6%	5.2%	5.3%

*Estimated | (Source: World Bank)

the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base.

Indian fitness industry overview

The Indian fitness industry was pegged at ₹95,000 crore, growing at ~18%, whereas the value of the Indian fitness retail market stood at ~₹7,000 crore in 2017. The health and fitness industry in India has come a long way, with global players entering the market, and with home grown fitness start-ups and online apps becoming a part of everyday living. The frequency of working out among people has grown over the years and as of 2017 the percentage of people working out on a regular basis stood at 10%. People between the ages of 20-30 are the biggest fitness enthusiasts accounting for 72% of the total who work out while the balance comprises people who are ≥30. In terms of gender, 60% of people working out are estimated to be male and 40% female. Alternative fitness regimes like aerobics, zumba, martial arts, kickboxing, cross-functional and bodyweight training have been there for some time. On the contrary, high-intensity

interval training, pilates, aqua fitness and body combat are still on the rise on the awareness index. Crawling workout and total resistance exercises are fairly new and still have not reached the masses. (Source: Economic Times)

Outlook

At the end of FY2018, revenues earned by the Indian fitness market were pegged at US\$908 million. The segment is estimated to grow at CAGR of 9.3% between 2018 and 2022, totaling a market value of US\$ 1,296 million. A major portion of these revenues will be driven by the consumption of fitness wearables.

(Source: Indian Retailer)

Emerging trends

Self-limiting movement: Self-limiting movement lets people improve muscle imbalances and poor postures to perform better. The combination of exercises aims to provide a solid foundation for musculoskeletal health that includes grip strength, correct posture and balance.

Bodyweight training: Bodyweight training does not involve any type of fitness equipment and can be practised anytime, anywhere. These are also easy to modify and exercises like push-ups, squats, lunges

and planks, among others, are effective for working the muscles using one's own bodyweight.

Fitness for geriatrics: Several fitness programmes are being created specifically for geriatrics so as to meet their needs to stay fit. As bone density starts decreasing and muscles start losing their strength, staying fit is the only option for people.

High-intensity interval training: People who love high-intensity workouts seemed satisfied with their daily regimes but for people who want to achieve the same but at a lower intensity, low-intensity interval training was brought in. While a high-intensity session usually takes 15-20 minutes, a low-intensity session takes 30-40 minutes but still burns the same amount of calories.

Fitness boxing: Boxing is one of the best workouts for cardio fitness, coordination, and fast-twitch muscles. Since the beginning of the year, fitness boxing in India has exploded across the industry, with 52% of the population being interested in the type of workout boxing provides.

Functional training: Functional training involves resistance bands, kettlebells, free weights, ropes or body weight exercises with the goal to increase mobility, improve core stability, balance muscle development on the right and left side of the body, and improve endurance in both weight lifting and cardio.

Personal training: A one-on-one personal fitness coaching program comprises a dedicated trainer certified for general fitness and committed to motivate members in achieving their fitness goals. The program also includes personalised fitness strategies customised to individual needs.

Circuit training: A form of body conditioning, also known as endurance training or resistance training, using high-intensity 20-minute workouts is ideal for losing weight while targeting strength building or muscular endurance. This form of training is a workout style where a participant cycles through several exercises targeting different muscle groups with minimal rest in between and involves machines, but can be carried out with dumbbells, barbells, balls or body weight exercises. The result is a workout that

taxes muscular strength, endurance and cardiorespiratory system.

Cross functional training: Cross-functional training is a high-intensity, strength and conditioning workout. This functional movement exercise program covers at least 10 fitness domains, which include cardiovascular and respiratory, stamina, strength, flexibility, power, speed, coordination, agility, balance and accuracy. The objective of cross-fit training is to form one full-body workout that needs no standard cardio-workouts or hours at the gym and might be even done entirely without any equipment or added weights. Its impact on the mind and the body encompasses better conditioning and versatility, quicker weight-loss and a healthy workout regime.

Marathon training: Marathon, an endurance sport, is increasingly popular among fitness enthusiasts as it is considered to be meditative. Besides, regular exercise enhances physical and psychological well-being. Corporate offices have joined the marathon fervour by encouraging employees to engage in half-marathons and longer, a trend expected to grow.

Wearable fitness technology: 'Wearable' gadgets like Fit-bit help monitor the heart rate, steps taken during workout and workout objectives. These gadgets are marked by user friendliness, connectivity with mobile devices and integration into every-day lives.

Demand drivers

Demographic dividend: The population of India is 1.34 billion, making the country home to the second-largest consumer base in the world. With the expectation of India becoming the youngest country by 2020 with an average age of 29, the country is likely to become the biggest prospective market for health clubs. (Source: Worldometers)

Rising incomes: The GDP of the country was pegged at 6.7% in 2017-18. Correspondingly, India's per capita GDP increased from ₹1,03,219 in 2016-17 to ₹1,11,782 in 2017-18, growing at 8.3%. The growth in GDP in turn has increased disposable incomes, driving consumption. (Source: Economic Times)

Key motivations behind people working out

42%

For losing weight

18%

For building muscles

16%

For sleeping better

37%

For increasing functional strength

46%

For improving energy levels

53%

For reducing health risks

33%

For reducing stress levels

2%

For other reasons

Source: Economic Times)

Frequency of working out (%)

Three to five times in a week	46
Never	15
Everyday	10
Once or twice in a week	29

(Source: Economic Times)

Obese population: By 2025, India is expected to have over 17 million obese children as compared to 14.4 million in 2017, and will stand second among 184 countries where the number of obese children is concerned. Furthermore, 21% of the total population of the country is overweight which accounts for 155 million people. Also, 16% of adult men and 22% of adult women in the country are overweight. (Source: India Today)

Gross under-penetration: In comparison to global markets, the Indian fitness industry is grossly underpenetrated. Compared to ~36,180 fitness clubs in the US (the world's largest market), India has a paltry ~3,800 fitness clubs. This is despite the fact that India's population is more than 3x that of the United States. Even when compared with China, the most populous nation, India's penetration is only 0.15% with ~2 million members, while China with fewer clubs (~2700 fitness clubs) has a penetration of 2.98% with ~4.52 million members. (Source: IHRSA Asia Pacific Health Club Report 2018)

Awareness: The increasing awareness

among the masses about the need of staying fit and healthy has been ever increasing. Community centres in residential societies and apartment complexes have started hosting gyms across Tier-II and III cities. Furthermore, multinational fitness chains and gyms have also started taking the franchisee route to enter the Indian subcontinent.

Peer influence: Fitness, as a social trend, has been gaining momentum over the years. It is more than likely that members of a group will be influenced by the lifestyles of others. The peer influence of the people leading a healthy lifestyle has been driving demand for the industry for quite some time.

Growing urbanisation: Urbanisation is one of the major factors behind the growth of the fitness sector. As migration from rural areas to cities continues due to better job opportunities and education, the urbanisation of India as of 2018 (33.2%) and is expected to reach 36.2% by 2025. (Source: Worldometers)

Health issues: 70 million people in India are diabetic while 50 million are heart

patients. Some 100 million Indians suffer from high blood pressure because of stress, obesity, genetic factors and unhealthy eating habits. Some 89% of the total population in India suffers from stress compared to the global average of 86%. (Source: Hindustan Times)

Awareness about alternative fitness techniques (%)

TRX suspension	7
Pilates	29
Rope workouts	31
Aqua fitness	19
Cross functional training	37
Crawling workout	11
Body combat	18
Martial arts	56
Bodyweight training	51
High-intensity interval training	31
Kickboxing	51

(Source: Economic Times)

Risk management

Economic risk: A slowdown in the economy could impact the Company's growth.

Mitigation: Talwalkars offers a full range of fitness services with value-added services to its customers, enabling people from different economic backgrounds to buy into the services offered by the Company. This diversified portfolio enables it to cushion itself from an economic slowdown, making it possible to report reasonable earnings from each offering. The Company has a multi-brand strategy which encompasses all the consumer segments.

Competition risk: Increasing competition could impact the Company's market share.

Mitigation: The Indian fitness industry is largely underpenetrated (0.15% in 2017), indicating that the scope for growth is immense. Talwalkars aims to capitalise

on these incipient opportunities by prudently expanding its presence across the value chain. The Company aims to target the affordable fitness segment under the banner of Power World Gyms and the premium fitness segment under the Talwalkars brand. Under the banner of Hi-fi, the Company aims to extend its reach across Tier-III and IV locations.

Personnel risk: The lack of skilled instructors could affect the quality of services offered by the Company.

Mitigation: The Company provides periodic training (online and on-site) across each of its gyms in South East Asia. This has enabled the Company's personnel to hone their skills on a regular basis and stay abreast of emerging sectoral trends.

Accessibility risk: Clients prefer a centralised and accessible location and an

inability to ensure that can be detrimental to the Company's prospects

Mitigation: Talwalkars believes in locating its gyms at centralised locations, making them accessible for all classes. As a means to this end, the Company conducts studies with respect to location-specific demographic profiles before setting up centres.

Financial risk: Unavailability of funding at competitive rates could affect viability.

Mitigation: The Company closely tracks funding requirements and ensures the availability of sufficient reserves.

Financial review

Key performance metrics

Parameters	FY16-17	FY17-18
Total Revenues (₹ million)	2,272	2,592
EBIDTA (₹ million)	1,282	1,513
Depreciation (₹ million)	302	303
Finance cost (₹ million)	114	167
Total tax expense (₹ million)	306	356
Net profit (₹ million)	574	693

Total Revenues: Revenues increased by 14.07% to ₹2,592 million in 2017-18, compared to ₹2,272 million in 2016-17.

EBITDA: Operating profit (EBITDA) increased by 18.05% to ₹1,513 million in 2017-18 from ₹1,282 million in 2016-17, largely because of operational synergies like rental reduction, optimum utilisation of personnel resources and centralised marketing.

Depreciation: Depreciation for the year under review stood at ₹303 million, compared to ₹302 million in the previous year.

Finance costs: Finance costs for 2017-18

stood at ₹167 million compared to ₹114 million of 2016-17.

Total tax expenses: Total tax expenses for 2017-18 stood at ₹356 million, which included current tax worth ₹285 million, and deferred tax charges of ₹71.50 million, compared to ₹306 million in 2016-17.

Net profit: Consolidated net profit for 2017-18 stood at ₹688 million, compared to ₹556 million in 2016-17, registering a growth of 20.74% over the previous year.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors. The system is under constant review by the Chairman, Managing Director, CFO and a few others, which ensures any discrepancies are immediately noted and suitable action can be taken in case of any lapses.

Human resources

While fitness may be a lifestyle choice for many, it unfortunately is not the foremost career choice. Talwalkars believe that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge. The Company's HR

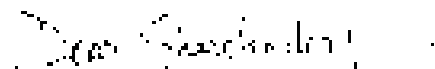
culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals of employees. The workforce stood at ~4,800 as on March 31, 2018.

Outlook

Talwalkars is one of the largest fitness brands in South East Asia, marked by 251 centres in India and Sri Lanka – and now widening its presence across South Asia. As the Company consolidates its leadership through the rollout of multi-brand models,

it will also focus on scaling same-stores sales growth through higher membership penetration and increased personal training. The Company expects to increase the rollout of gyms and widen its customer base, enhancing profitability, return ratios and shareholder value.

Directors' Report



Your Directors are pleased to present the Second Annual Report on business and operations with the audited financial statement for the year ended 31st March, 2018:

Demerger

A major development in 2016-17 was the decision to demerge business of Talwalkars Better Value Fitness Limited. The total business was restructured in two parts Gym Business and Lifestyle Business. The Gym business consists of world class gymming experience backed by professional trainers. Fitness centres in four different formats which are Talwalkars Gym, Talwalkars Premium Gym, HiFi and Power World Gyms. Whereas the Lifestyle Business provides value added services like Nuform (Time-efficient weight loss program), Reduce (Easy Diet based program), Transform (Holistic fitness program), Mickey Mehta 360 degrees wellness centres, Zumba Merchandise and Zumba (Aerobics and Latin dance inspired fitness program), Zorba (Yoga), Spa, Massage and Aerobics along with club business venture.

The National Company Law Tribunal, Mumbai Bench (NCLT) as per its order dated 9th March, 2017 directed convening a meeting of shareholders for the purpose of considering and if thought fit, approving the Scheme of Arrangement between Talwalkars Better Value Fitness Limited ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders. A Court Convened Meeting was held on 27th April, 2017 wherein the Shareholders of the Company approved the

said Scheme of Arrangement. Subsequently, NCLT approved the Scheme of Arrangement vide its order dated 21st December, 2018. The Scheme became effective from 20th February, 2018.

Accordingly, the Demerged Company named as Talwalkars Better Value Fitness Limited ("TBVFL") transferred the entire Gym Business to Talwalkars Lifestyles Limited ("TLL"), the resulting company and the cost of acquisition of TLL shares was 71.04%.

In consideration of the Scheme, TLL has issued and allotted equity shares to the shareholders of TBVFL in the share entitlement ratio of 1:1 i.e. one (1) equity share of ₹ 10/- (Rupees Ten only) each in TLL for every one (1) equity share of ₹ 10/- (Rupees Ten only) each in TBVFL, held by each shareholder as on record date of 28th March, 2018.

Subsequently application for listing of the equity shares allotted pursuant to the Scheme of Arrangement was made to The National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE Ltd").

TLL received in principle approval from NSE on 19th April, 2018, BSE on 4th May, 2018 and letter confirming relaxation from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 from Securities and Exchange Board of India ("SEBI") on 20th June, 2018. The Final listing and trading approval for the equity shares of TLL were received from NSE and BSE on 27th June, 2018.

The Equity shares of TLL were listed and admitted to dealings on NSE and BSE with effect from 29th June, 2018.

Financial Highlights

Pursuant to the Scheme of Arrangement, the entire gym business was transferred to the Company with effect from 20th February, 2018. The below table summarizes the Financial Results of the Gym Business.

The Company has adopted Indian Accounting Standards ('Ind AS') pursuant to notification issued by the Ministry of Corporate Affairs

dated 16th February, 2015 and as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the relevant rules made thereunder from 1st April, 2016 being the date of transition as per Ind AS101.

Financial statement for the year ended and as at 31st March, 2017 has been restated to conform to Ind AS. The highlights of your Company's standalone financial performance for the year ended 31st March, 2018 are summarised below:

₹ in millions

Summarized Financial Results	March 31, 2018	March 31, 2017
Revenue from operations	2307.38	2077.78
Other Income	122.95	19.37
Total Income	2430.33	2097.15
Profit before interest, depreciation and taxation	1473.58	1230.22
Financial Expenses	154.02	106.47
Depreciation	291.11	289.83
Exceptional Items	0.81	-3.92
Profit before tax	1029.26	830.00
Provision for taxation	282.15	295.43
Deferred Tax	60.35	9.72
Profit after tax but before minority interest	686.76	524.85
Share of minority interest	-	-
Profit after tax	686.76	524.85
Excess provision of Income Tax written back	-	-
Balance brought forward	2006.45	1671.89
Total available for appropriation	2693.21	2196.74
Final Dividend and Dividend Distribution Tax	53.63	53.63
General Reserve	-	30.85
Debenture Redemption Reserve	198.10	105.81
Balance carried forward	2441.48	2006.45

Our Business

Your Company continues its leadership position as largest Fitness Chain with 251 fitness centres on consolidated basis across 84 cities and towns. At Talwalkars, we possess multiple gym models that includes core gymming and personalised training

Review of Operations

Riding on brand goodwill and management competence, our Income from Operations (Net) on a standalone basis grew at a 2-year CAGR (FY17 - FY18) of 11.05% achieving ₹2307.38 millions during Financial Year 17-18. Similarly, our EBITDA and Profits after

Tax on a standalone basis for the year ended 31st March, 2018, were ₹ 1,351.44 millions and ₹ 686.76 millions respectively, growing at a 2-year CAGR (FY 17 - FY 18) of 11.25% and 30.85% respectively.

During the year along with the financial performance, your Company's profit before tax as well as profit after tax and minority interest recorded a healthy growth of 21.21% and 19.94% respectively. The volume of the business also displayed an increase of 9.69% over last year.

No material changes affecting the financial position of the Company have occurred between the end of the financial year 2017-18 and the date of this Report.

Dividend

Based on the Company's performance, your Directors are pleased to recommend for approval of the members a dividend @ 10% (Re. 1/- per equity share of ₹10/-) for the year ended 31st March, 2018. The dividend has been recommended in accordance with your Company's policy of balancing dividend pay-out with the requirement of funds for its growth plans.

Transfer to Reserves

The Directors have decided to retain the entire amount of ₹ 2441.48 millions in the retained earnings.

Subsidiaries and Associate Company

The Company has 3 Subsidiaries as on 31st March, 2018. There are 6 Associate companies / Joint Ventures. The Subsidiaries, Associate companies and Joint Ventures have been classified based on criteria specified under Ind As. There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's Subsidiaries/Associate Companies/Joint Ventures in Form AOC-1 is attached to this Report as Annexure - I. Further, pursuant to the provisions of Section 136 of the Act, the financial statement of the Company, consolidated financial statement and the financial statements of subsidiaries, are available on the website of the Company. The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed at the link: <https://talwalkarslifestyles.com/wp-content/uploads/2018/08/Policy-on-Determining-Material-Subsidiaries.pdf>

Directors' Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Based on the framework of internal financial controls and compliance systems established by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2017-18.

Directors and Key Managerial Personnel

Your Company has four Directors including Non-Executive Chairman, Executive Director and two Independent Directors including a Woman Director in accordance with Corporate Governance norms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "SEBI Listing Regulations") and the provisions of the Act.

Mr. Prashant Talwalkar relinquished the office of Executive Director and was re-designated as Non Executive Chairman of your Company. Further, in accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Prashant Talwalkar, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Dinesh Afzulpurkar and Ms. Farzana Tavadia were appointed as Additional Directors in the Non-Executive, Independent Category with effect from 29th March, 2018 subject to confirmation by members at the ensuing Annual General Meeting.

Resolutions for appointment / re-appointment of Directors will be placed for your approval at the ensuing Annual General Meeting.

Mr. Harsha Bhatkal resigned from the Board of Directors with effect from 30th March, 2018 due to pre occupation. The Board places on record its appreciation for his invaluable contribution and guidance provided by him.

Independent Directors of your Company have given declaration confirming their independence and fair conduct in performance as provided in Section 149 of the Act and the Listing Requirements of the Stock Exchanges.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

The Board appointed Ms. Gayatri Valan Prasad as the Company Secretary and Compliance Officer with effect from 15th December, 2017.

Mr. Girish Talwalkar, Executive Director and Ms. Gayatri Valan Prasad Company Secretary and Compliance Officer of the company are the Key Managerial Personnel of Company in terms of Section 2(51) read with section 203(1) of the companies Act, 2013.

Number of Meetings of the Board

Nine Board meetings were held during the Financial Year 2017-18 with requisite quorum present for each of them, the details of which are given in the Corporate Governance Report.

Board Evaluation

The Board of Directors has devised a policy for annual evaluation of the performance of the Board, its Committees and of individual directors (including Independent Directors) pursuant to the provisions of the Act and the Corporate Governance requirement as prescribed by SEBI Listing Regulations. The performance of the Board are evaluated after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

The Board and the Nomination & Remuneration Committee review the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be

discussed, meaningful and constructive contribution and inputs in meetings, etc. The performance of the Committees are evaluated by the Board after seeking inputs from the Committee Members on the basis of criteria such as the composition of Committees, effectiveness of Committee Meetings etc.

Company's Policy on Directors' Appointment and Remuneration

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

Audit Committee

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

Statutory Auditor

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Lakdawala & Associates, Chartered Accountants (Firm Registration No. 105518W), were appointed as statutory auditors from the conclusion of the first Annual General Meeting (AGM) held on September 30, 2017 till the conclusion of the sixth AGM of the Company, subject to the ratification of their appointment at every AGM, if required under law. Accordingly, necessary resolution for ratification of appointment of auditors is included in the Notice for ensuing AGM.

Auditor's Report and Secretarial Audit Report

The Auditor's Report and Secretarial Audit Report do not contain any qualifications, reservations, or adverse remarks. Secretarial Audit Report is attached to this report.

Risk Management

Your Company has Risk Management Policy to mitigate the risks. The Company manages and monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

Particulars of loans, guarantees and Investments

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

Related Party Transactions

During the year under review, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis. No related party transaction was in conflict with the interests of the Company. Your Company has not entered into materially significant related party transactions with any of its related parties. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

In line with the requirements of the Companies Act, 2013 and SEBI Listing Regulations, the Board has formulated a Policy on Related Party Transactions which has been uploaded on the Company's website at <https://talwalkarslifestyles.com/wp-content/uploads/2018/07/Policy-on-Related-Party-Transactions.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Corporate Social Responsibility (CSR)

The Board has designed a CSR Policy. Your Company aims at exhibiting care and concern for the Society. The Company broadly aims to undertake the activities related to health awareness, education, medical check-ups, promotion of Art and culture etc.

Weblink of Company's CSR Policy: <https://talwalkarslifestyles.com/wp-content/uploads/2018/08/CSR-Policy.pdf>

Extract of the Annual Return

The extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form No. MGT-9 is presented here under in Annexure – III to this Annual Report.

Particulars of Employees

Pursuant to Section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company was in receipt of the remuneration during the financial year 2017-18, which in aggregate was in excess of ₹1.02 crores per year or ₹8.5 lakhs per month or in excess of the remuneration drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children two percent or more of the equity shares of the Company.

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director and Company Secretary during the financial year 2017-18:

Sr. No.	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
1	Prashant Talwalkar	Non Executive Chairman	Not Applicable	-
2	Girish Talwalkar	Executive Director	Not Applicable	-
3	Harsha Bhatkal*	Executive Director	Not Applicable	-
4	Dinesh Afzulpurkar	Independent Director	Not Applicable	-
5	Farzana Tavadia	Independent Director	Not Applicable	-
6	Gayatri Valan Prasad	Company Secretary	Not Applicable	Not Applicable

*Resigned with effect from 30th March, 2018

- (ii) The percentage increase in the median remuneration of employees in the financial year: Not Applicable
- (iii) Permanent employees on the roll as on 31st March, 2018: 2
- (iv) During the financial year 2017-18, average increase in the salaries of employees other than the managerial personnel in the last financial year was not applicable and increase in Managerial Remuneration was also not applicable.
- (v) We hereby affirm that the remuneration paid is as per the remuneration policy of the Company.

Corporate Governance

As per SEBI Listing Regulations, Corporate Governance Report with a certificate of Practicing Company Secretary is attached, which forms part of this report.

Management Discussion and Analysis

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

Secretarial Standards

The Company complies with all the applicable Secretarial Standards.

Deposits

The Company has not accepted any deposits from public falling within the preview of Section 73 of Companies Act, 2013, and rules framed thereunder.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings And Outgo

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

Foreign Exchange earnings and Outgo

₹ In millions		
Particulars	2017-18	2016-17
Total foreign exchange earnings	--	--
Total foreign exchange outgo	1.8	--

Details of the statutory orders impacting the Company

Hon'ble National Company Law Tribunal, Mumbai Bench Passed an order on 21st December, 2017 approving the scheme of Arrangement between Talwalkars Better Value Fitness Limited ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company") and their respective shareholders.

Other than one mentioned above no significant and material orders were passed by the Regulator or Courts or Tribunals Impacting the going concern status and the Company's operations in future.

Acknowledgement

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

Your Directors sincerely thank all the investors, members, bankers, financial institutions, business associates, regulatory and government authorities for their continued support, assistance and valuable co-operation to set a brand 'Talwalkars' with difference.

For and on behalf of the Board
Talwalkars Lifestyles Limited

Prashant Talwalkar
Chairman
DIN: 00341715

Date: 12th July, 2018
Place: Mumbai

Girish Talwalkar
Executive Director
DIN: 00341675

ANNEXURE – I TO THE DIRECTORS' REPORT (FROM AOC-1)

Statement containing salient features of the financial statement of Subsidiaries/Associates/Joint Ventures

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

Part "A": Subsidiaries

Sr. No.	Name of Subsidiary Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Ownership (%)
1	Aspire Fitness Pvt. Ltd.	28.10.2010	INR	1.00	10.00	42.63	84.18	31.55	-	114.12	6.38	1.98	4.40	-	50.001
2	Talwalkars Better Value Fitness (Singapore) PTE Limited	22.08.2017	SGD	49.68	80.38	-1.63	78.75	-	43.88	-	-1.58	-	-1.58	-	100.00
3	PWG Fitness (PVT) Limited (Srilanka)	24.11.2017	LKR	0.4185	42.81	0.04	63.65	20.80	-	-	0.06	-	0.06	-	*100.00

Note:

@ Closing exchange rate as on March 31, 2018 has been considered for calculation

* Effective ownership due to 100% holding of Talwalkars Better Value Fitness (Singapore) PTE Limited in PWG Fitness (PVT) Limited (Srilanka).

Part "B": Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Balance Sheet Date	Date on which the Associate/ Joint Venture was associated or acquired	Shares of Associate/ Joint Venture held by the company on the year end		Net worth attributable to Shareholding as per latest Balance Sheet (₹ in Millions)		Profit/Loss for the year		Description of how there is significant influence	Reason why the Associate/ Joint Venture is not consolidated
				No. of Fully Paid up Shares held	Extent of Holding (%)	Amount of Investment in Associate/ joint Venture (₹ in Millions)	Shareholding as per latest Balance Sheet (₹ in Millions)	Considered in Consolidation (₹ in Millions)	Not Considered in Consolidation		
1	Power World Gyms Ltd	31.03.2018	04.01.2016	42,108,459	49.50	48.68	38.08	14.74	-	Note-A	Not Applicable
2	Inshape Health & Fitnez Pvt. Ltd.	31.03.2018	10.12.2015	408,000	51.00	5.99	-0.19	0.30	-	Note-B	Not Applicable
3	PWG Fitness Pvt. Ltd.	31.03.2018	30.05.2015	10,000	50.002	0.10	10.32	0.21	-	Note-B	Not Applicable
4	Denovo Enterprises Pvt. Ltd.	31.03.2018	28.10.2010	50,100	50.10	5.01	102.24	4.50	-	Note-B	Not Applicable
5	Jyotsna Fitness Pvt. Ltd.	31.03.2018	14.11.2011	1,001	50.02	0.10	20.49	0.10	-	Note-B	Not Applicable
6	Equinox Wellness Pvt. Ltd.	31.03.2018	28.10.2010	-	-	-	1.77	-	-	Note-C	Not Applicable

Note - A – Controls more than 20% of the total share capital.

Note - B – More than 50% stake, instead considered as associate/ joint venture as per control assessment under Ind-AS.

Note - C - Effective ownership due to 66.67% holding of Denovo Enterprises Private Limited in Equinox Wellness Private Limited

For and on behalf of the Board
Talwalkars Lifestyles Limited

Date: 12th July, 2018
Place: Mumbai

Prashant Talwalkar
Chairman
DIN: 00341715

Girish Talwalkar
Executive Director
DIN: 00341675

ANNEXURE - II TO THE DIRECTOR'S REPORT

Secretarial Audit Report For The Financial Year Ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Talwalkars Lifestyles Ltd

801-813, Mahalaxmi Chambers,

22, Bhulabhai Desai Road,

Mumbai- 400026

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Talwalkars Lifestyles Limited (here in after called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Talwalkars Lifestyles Limited (books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, except to those mentioned below in the manner and subject to the reporting made hereinafter:

Talwalkars Lifestyles Limited ("the Company") for the financial year ended on 31st March 2018, I have examined the books, papers, minute books, forms and returns filed and other records maintained according to the provisions thereof:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; –Not Applicable.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not applicable since the Company was not listed on any stock exchange during the FY 2017-18;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- Not applicable since the Company was not listed on any stock exchange during the FY 2017-18;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not applicable since the Company was not listed on any stock exchange during the FY 2017-18, but applicable to the extent of In-PRINCIPLE/Listing & Trading approval of the securities as per Scheme of Arrangement;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable since the Company was not listed on any stock exchange during the FY 2017-18;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable since the Company was not listed on any stock exchange during the FY 2017-18;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not Applicable as the Company is not registered as Registrar to an Issue & Share Transfer Agents during the financial year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable to the Company during the Audit Period.
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable as the

Company has not bought back/proposed to buy-back any of its securities during the financial year under review.

VI. The management has informed that there was no business activities in the Company during financial year 2017-18, but it was registered under the below mentioned Act and confirmed the following laws as specifically applicable to the Company & they have complied with most of the Rules & Regulations specified in the Acts, mentioned below:

- i. The Income Tax Act, 1961
- ii. The Depositories Act, 1996 and the Regulation and Bye-laws framed thereunder;

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – as the Company got necessary approval for listing of its securities as per Scheme of Arrangement (without making Public Offer), but trading approval & listing agreement with BSE Limited & NSE Limited was not executed during the financial year 2017-18.

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

1. The Company has maintained books of accounts as required under Section 128 of the Companies Act, 2013.
2. The Company has complied with all the provisions of Companies Act, 2013 relating to Statutory Audit/Internal Audit.
3. No request for transferor transmission of shares has been received by the company during the year other than as recorded.
4. Statutory Registers were kept open for public inspection during working hours on all working days. All Statutory Register has been maintained/updated by the Company.
5. Notice of Board/Committee meetings were duly sent to all the directors & meeting were conducted as stipulated under Companies Act, 2013.
6. No resolutions were passed by way of circulation during the year under review.
7. Company has not obtained any secured loan from any financial institution/banks. However pursuant to the Scheme of Arrangement between Talwalkars Better Value Fitness Limited (Demerged Company) and Talwalkars Lifestyles Limited (Resulting Company) and their respective shareholders, the loans of the gym business of the demerged company has been transferred to the resulting company.
8. Notice of annual general meeting has been duly sent to all the members & meeting has been conducted under section 96 of the Companies Act, 2013.
9. No Show Cause notice has been received by the company under the Acts referred above or any other laws applicable on the company.
10. Minutes of the Board and general meetings were entered in the minute books within thirty days from the day of the meeting.
11. The share certificates were properly stamped.
12. The entries in the statutory registers were made within the prescribed time.
13. The company has done alteration its Articles of Association or Memorandum of Association for increase in the Authorized Capital of the Company & Scheme of Arrangement for which the necessary compliance as to alteration is carried out and the proofs of the filing with ROC are available in Records.
14. No employee was holding Office of Place of Profit during 2017-18.
15. There is no pending litigation and claims in the balance sheet by way of contingent liability.
16. No event other than reported to you specifically has occurred during the year which has a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.
17. The views of all the dissenting Directors (if any) on important matters have been captured and recorded in the minute.
18. The venue and time of Board meeting was finalized with the consultation of all board members.
19. The Company has not given any Loans & Advances to any relatives of directors/shareholders during 2017-18.
20. The Company has not received all loan confirmation; its terms & conditions during 2017-18 and has not violated section 186

of the Companies Act, 2013 as the loans were transferred to the company pursuant to the Scheme of Demerger.

21. All Related Parties Transactions has been approved by the Board/shareholders during 2017-18, and there is no violation of section 185/188 of the Companies Act, 2013.
22. The Company has disclosed all required information as per section 12/60 of the Companies Act, 2013.
23. The Company has appointed/resigned its directors/ key managerial personnel as per section 149/168 of the Companies Act, 2013 & it has not violated section 152/160/161/162/164/167/196/197 & 203 of the Companies Act, 2013.
24. The Company has altered its share capital during 2017-2018, by issuing 3,10,04,856 equity shares of ₹ 10/- each as shares allotted to the shareholders of TALWALKARS BETTER VALUE FITNESS LIMITED as per Scheme of Arrangement duly approved by NCLT, Mumbai dated 21st December, 2017 in the ratio of 1:1 one new equity shares for every one shares held as on the Record date, i.e. 28th March, 2018 fixed by TALWALKARS BETTER VALUE FITNESS LIMITED. The Company has paid all relevant fees & filled the necessary forms in the said matter.
25. The Company has filed certain forms with ROC along with late fees.
26. There has been change in the composition of Board of Directors of the Company during 2017-18 and all necessary forms were filled with ROC as stipulated under The Companies Act, 2013.
27. The Company has filed all forms/returns/information with MCA with and without delay during the year 2017-18.
28. The Board of Directors have recommended a dividend @ 10% (Re. 1/- for the face value of ₹ 10/-) for the FY 2017-18 at its Meeting held on 12th July, 2018 which will be placed for the shareholders' approval at the 2nd AGM to be held on 26th September, 2018.

29. The ISIN number of the Company was activated during 2017-18.

30. The Company was listed at BSE/NSE on 29th June, 2018 as per the Scheme of Demerger.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in the Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting Members views are captured and Recorded as part of the minutes

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

(Santoshkumar K Pandey)
Practicing Company Secretary
C.P No. 5484

Date: 12th July, 2018
Place: Mumbai

Annexure –A to Secretarial Audit Report dated 12th July, 2018

To,
The Members,
Talwalkars Lifestyles Ltd
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai- 400026

Our Secretarial Audit Report dated 12th July, 2018 is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(Santoshkumar K Pandey)
Practicing Company Secretary
C.P No. 5484

Date: 12th July, 2018
Place: Mumbai

ANNEXURE – III TO THE DIRECTORS' REPORT

Extract of Annual Return as on the year ended 31st March, 2018

Form No. MGT - 9

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U93090MH2016PLC280127
ii)	Registration Date	23 rd April, 2016
iii)	Name of the Company	Talwalkars Lifestyles Limited
iv)	Category/Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026 Tel No.: 022- 6612 6300 Fax No.: 022- 6612 6363 Email: investor@talwalkars.net
vi)	Whether listed Company	Listed w.e.f. 29 th June, 2018
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Tel No.: 022- 4918 6270 Fax No.: 022- 4918 6060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Aspire Fitness Private Limited 801, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai - 400 026	U85100MH2009PTC197625	Subsidiary	50.001%	2(87)
2	Talwalkars Better Value Fitness Singapore (PTE) - Limited 1 North Bridge Road, # 22-09, High Street Centre, Singapore (179094)	-	Subsidiary	100%	2(87)
3	PWG Fitness (PVT) Limited (Srilanka) No. 282/9A Kotte Road, Pitakotte, Nugegoda, Srilanka	-	Subsidiary	# 100%	2(87)

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) =(A)(1)+(A)(2)	10,000	10,000	-	100.00	1,15,83,743	0	1,15,83,743	37.36	(62.64)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	14,21,185	0	14,21,185	4.58	4.58
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	-	-	-	-	40,42,696	0	40,42,696	13.04	13.04
f) Financial Institutions / Banks	-	-	-	-	32,649	0	32,649	0.11	0.11
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	54,96,530	0	54,96,530	17.73	17.73
2. Non-Institutions									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakhs	-	-	-	-	48,63,793	13,169	48,76,962	15.73	15.73
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakhs	-	-	-	-	42,31,856	0	42,31,856	13.65	13.65
b) Any Others									
i) Trusts	-	-	-	-	4,000	0	4,000	0.01	0.13
ii) Hindu Undivided Family	-	-	-	-	2,94,001	0	2,94,001	0.95	0.95
iii) Non-Resident Indians (Non- Repat)	-	-	-	-	1,27,316	0	1,27,316	0.41	0.41
iv) Non-Resident Indians (Repat)	-	-	-	-	3,04,509	0	3,04,509	0.98	0.98
v) Clearing Members	-	-	-	-	3,00,550	0	3,00,550	0.97	0.97
vi) Bodies Corporate	-	-	-	-	37,85,389	0	37,85,389	12.21	12.21
Sub-Total (B)(2)	-	-	-	-	1,39,11,414	13,169	1,39,24,583	44.91	44.91
Total Public Shareholding (B) =(B)(1) +(B)(2)	-	-	-	-	1,94,07,944	13,169	1,94,21,113	62.64	62.64
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10,000	10,000	-	100.00	3,09,91,687	13,169	3,10,04,856	100.00	0.00

Note:

- Shareholding Percentage is calculated considering the increased paid up share capital of the Company except for percentage 'At the beginning of the year'.
- Initial Subscription Capital of ₹ 1,00,000/- (10,000 equity shares of ₹ 10/- each) stands cancelled pursuant to Scheme of Arrangement

ii) Shareholding of Promoters:

Sr No	Shareholders Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Prashant Talwalkar	1	0.01	--	28,87,780	9.31	--	9.30
2	Anant Gawande	1	0.01	--	25,00,200	8.06	--	8.05
3	Girish Talwalkar	1	0.01	--	22,75,980	7.34	--	7.33
4	Harsha Bhatkal	1	0.01	--	18,60,200	6.00	--	5.99
5	Vinayak Gawande	1	0.01	--	15,31,900	4.94	--	4.93
6	Madhukar Talwalkar	1	0.01	--	5,20,000	1.67	--	1.67
7	Talwalkars Better Value Fitness Limited	9,994	99.94	--	--	--	--	(99.94)
8	Better Value Leasing and Finance Ltd.	--	--	--	7,683	0.03	--	0.03
Total		10,000	100.00	--	1,15,83,743	37.36	--	(62.64)

Note:

- Shareholding Percentage is calculated considering the increased paid up share capital of the Company except for percentage 'At the beginning of the year'.
- Initial Subscription Capital of ₹ 1,00,000/- (10,000 equity shares of ₹ 10/- each) stands cancelled pursuant to Scheme of Arrangement

iii) Change in Promoters Shareholding:

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	10,000	100.00		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/ transfer/bonus/sweat equity etc.)				
1.	Prashant Talwalkar	1	0.01		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	28,87,780	9.31	28,87,780	9.31
2.	Anant Gawande	1	0.01		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	25,00,200	8.06	25,00,200	8.06
3.	Girish Talwalkar	1	0.01		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	22,75,980	7.34	22,75,980	7.34

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4.	Harsha Bhatkal	1	0.01		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	18,60,200	6.00	18,60,200	6.00
5.	Vinayak Gawande	1	0.01		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	15,31,900	4.94	15,31,900	4.94
6.	Madhukar Talwalkar	1	0.01		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	5,20,000	1.68	5,20,000	1.68
7.	Talwalkars Better Value Fitness Limited	9,994	99.94		
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(9,994)	(99.94)	0	0
8.	Better Value Leasing & Finance Limited	0	0		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	7,683	0.03	7,683	0.03
	At the end of the year	1,15,83,743	37.36	1,15,83,743	37.36

Note:

- Shareholding Percentage is calculated considering the increased paid up share capital of the Company except for percentage 'At the beginning of the year'.
- Initial Subscription Capital of ₹ 1,00,000/- (10,000 equity shares of ₹ 10/- each) stands cancelled pursuant to Scheme of Arrangement

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Smallcap World Fund, Inc	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	23,89,000	7.71	23,89,000	7.71
2	Laxmi Shivanand Mankekar and Kedar Shivanand Mankekar		--	--	
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	19,53,520	6.30	19,53,520	6.30
3	Unit trust of India investment advisory services limited a/c ascent india fund III	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	14,75,400	4.76	14,75,400	4.76

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	American Funds Insurance Series Global Small Capitalization Fund	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	10,20,000	3.29	10,20,000	3.29
	Increase in Shareholding				
5	Bajaj Allianz Life Insurance Company Ltd	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	9,98,801	3.22	9,98,801	3.22
	Increase in Shareholding				
6	Tata Mutual Fund- Tata Equity P/E fund	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	7,57,185	2.44	7,57,185	2.44
	Increase in Shareholding				
7	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life India Gennext Fund	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	5,57,000	1.80	5,57,000	1.80
	Increase in Shareholding				
8	Morgan Stanley (France) S.A.		--	--	
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	3,16,779	1.02	3,16,779	1.02
	Increase in Shareholding				
9	Wallfort Financial Services Ltd	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	3,00,000	0.97	3,00,000	0.97
	Increase in Shareholding				
10	The Master Trust Bank of Japan, Ltd As Trustee for Nissay World Sports Mother fund	--	--		
	29.03.2018 (Allotment pursuant to Scheme of Arrangement)	2,06,653	0.6	2,06,653	0.6
	Increase in Shareholding				

Note:

- * At the beginning of the year there were no other shareholders other than promoters. Pursuant to the Scheme of Arrangement shares were allotted on 29th March, 2018 to the shareholders of Talwalkars Better Value Fitness Limited (Demerged Company) as on the record date i.e. 28th March, 2018. The above chart reflects the top ten shareholders excluding promoters post allotment of shares pursuant to Scheme of Arrangement.
- Shareholding Percentage is calculated considering the increased paid up share capital of the Company except for percentage 'At the beginning of the year'.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Names	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of Company
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/ bonus/sweat equity etc.)				
1	Mr. Prashant Talwalkar (Non-Executive Chairman) At the beginning of the year	1	0.01	1	0.01
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Decrease in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	28,87,780	9.31	28,87,780	9.31
	At the end of the year	--	--	28,87,780	9.31
2.	Mr. Girish Talwalkar (Executive Director) At the beginning of the year	1	0.01	1	0.01
	29.03.2018 (Cancellation pursuant to Scheme of Arrangement) Increase in Shareholding	(1)	(0.01)	0	0
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	2,275,980	7.34	2,275,980	7.34
	At the end of the year	--	--	2,275,980	7.34
3	Mr. Dinesh Afzulpurkar (Independent Director) At the beginning of the year	--	--	--	--
	At the end of the year	--	--	--	--
4	Ms. Farzana Tavadia (Independent Director) At the beginning of the year	--	--	--	--
	At the end of the year	--	--	--	--
5	Ms. Gayatri Valan Prasad (Company Secretary & Compliance Officer) At the beginning of the year	--	--	--	--
	29.03.2018 (Allotment pursuant to Scheme of Arrangement) Increase in Shareholding	1	0.00	1	0.00
	At the end of the year	--	--	1	0.00

V. INDEBTEDNESS

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

₹ in millions				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,034.81	--	--	3,034.81
ii) Interest due but not paid	-	--	--	-
iii) Interest accrued but not due	67.63	--	--	67.63
Total (i+ii+iii)	3102.44	--	--	3102.44
Change during the financial year				
Addition	602.93	--	--	602.93
Reduction	--	--	--	--
Net Change	602.93	--	--	602.93
Indebtedness at the end of the financial year				
i) Principal Amount	3637.74	--	--	3637.74
ii) Interest due but not paid	-	--	--	-
iii) Interest accrued but not due	99.91	--	--	99.91
Total (i+ii+iii)	3737.65	--	--	3737.65

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in millions					
Sr No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Prashant Talwalkar	Girish Talwalkar	Harsha Bhatkal *	
1	Gross Salary				
	a) Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961	--	4.20	--	4.20
	b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961.	--	--	--	--
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- As % of Profit				
	- Others, Specify.				
5	Others, Professional Fees	4.20	--	--	4.20
	Total (A)	4.20	4.20	--	8.40
	Ceiling as per the Act	₹ 68.67 millions (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013).			

*Resigned with effect from 30th March, 2018.

B. Remuneration to other directors:

₹ in millions

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dinesh Afzulpurkar *	Farzana Tavadia *	
1	Independent Director			
	Fees for attending Board/ Committee Meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, Please Specify	Nil	Nil	Nil
	Total (1)			
2	Other Non-Executive Directors			
	Fee for attending Board/ Committee Meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B)= (1+2)	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act	₹ 6.86 millions (being 1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013 (197(1)(ii)) or ₹1 lakh per meeting of the Board or Committee thereof (197(5)Rule 4)		

Note: * Appointed with effect from 29th March, 2018**C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/ Whole-time Director:**

₹ in millions

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Gayatri Valan Prasad Company Secretary*
1	Gross Salary	--
	a) Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961	0.21
	b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961.	--
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	--
2	Stock Option	--
3	Sweat Equity	--
4	Commission	--
	- As % of Profit	
	- Others, Specify	
5	Others, please specify	--
	Total	0.21

Note: * Appointed with effect from 15th December, 2017

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

₹ in millions

Type	Section of the Companies Act	Brief Description	Details of Penalty, Punishment, Compounding Fees Imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board
Talwalkars Lifestyles Limited

Prashant Talwalkar
Chairman
DIN: 00341715

Girish Talwalkar
Executive Director
DIN: 00341675

Date: 12th July, 2018
Place: Mumbai

Report on Corporate Governance

Company's Philosophy on Corporate Governance

At Talwalkars Lifestyles Limited (TLL), Corporate Governance is all about maintaining valuable relationship and building trust and confidence among all stakeholders. We are committed towards maximizing stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities or regulators as we believe our stakeholders to be partner in our success. TLL ensures maintaining balance of interests of all its stakeholders. It emphasizes on timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company. The Board of TLL truly believes that efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the Business of the organization.

Board of Directors

The Board of Directors ('the Board') has ultimate responsibility for the management, general affairs, direction, performance and long-term success of the business as a whole.

Composition

The Board of your Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising of Independent Directors. As on the date of this

Report, the Board consists of four Directors comprising of one Non-Executive Chairman, one Executive Director and two Independent Directors including a Woman Director. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

Meetings of Board of Directors

During the year, 9 (nine) board meetings were held on 29th May, 2017, 29th July, 2017, 8th September, 2017, 15th December, 2017, 7th February, 2018, 17th February, 2018, 28th March, 2018, 29th March, 2018 and 30th March, 2018 with a time gap between two meetings not exceeding one hundred and twenty days. Adequate notice along with agenda and its notes are given to each Board Member. The necessary quorum was present for all the meetings. The Board reviews the reports of compliance with all laws applicable to the Company. All the information required for taking informed decisions regarding the operations of the Company, is made available to the Board.

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

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 30.09.2017	No. of Directorship in all other Companies*	Committee Membership/ Chairmanship in all Companies **	
					Member	Chairman
Mr. Prashant Talwalkar (Chairman)#	NON EXECUTIVE NON INDEPENDENT	09	Yes	01	Nil	Nil
Mr. Girish Talwalkar	EXECUTIVE	09	Yes	01	03	Nil
Mr. Harsha Bhatkal ##	EXECUTIVE NON INDEPENDENT	08	Yes	02	Nil	Nil
Mr. Dinesh Afzulpurkar ^	INDEPENDENT NON EXECUTIVE	01	N.A.	Nil	02	02
Ms. Farzana Tavadia ^	INDEPENDENT NON EXECUTIVE	01	N.A.	Nil	02	Nil

Note:

- * Directorships across all the Companies excluding private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.
- ** Chairmanship and Membership of Audit Committee and Stakeholders' Relationship Committee across all the public companies excluding private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013.
- # Change in designation from Executive Director to Non-Executive Director with effect from 29th March, 2018
- ## Ceased to be Director of the Company with effect from 30th March, 2018
- ^ Appointed with effect from 29th March, 2018

Relationship between Directors

None of the Directors of your Company are inter-se related to each other

Remuneration paid Directors for the year ended 31st March, 2018

Details of remuneration paid to Directors of the Company for the year ended 31st March, 2018 as follows:

Name of Director	Designation	Gross Salary & Perquisites (₹)
Mr. Prashant Talwalkar #	Non-Executive Chairman	4,200,000^
Mr. Girish Talwalkar	Executive Director	4,200,000
Mr. Harsha Bhatkal*	Executive Director	--

- # Change in designation from Executive Director to Non-Executive Chairman with effect from 29th March, 2018
- * Resigned with effect from 30th March, 2018
- ^ Professional Fees paid to Mr. Prashant Talwalkar

Sitting Fees to Non-Executive Directors

The sitting fees for Non-Executive Directors is ₹ 15,000/- per meeting of the Board or meeting of the Audit and Stakeholders' Relationship Committee. Except sitting fees, no other remuneration is paid to Non-Executive Directors.

Shareholding of Non-Executive Directors

The details of shares held by Non-Executive Directors as on 31st March, 2018 are enumerated below:

Name of Non-Executive Director	No. of Shares held
Mr. Prashant Talwalkar	28,87,780
Mr. Dinesh Afzulpurkar	--
Ms. Farzana Tavadia	--

Material or pecuniary relationship

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

Board Committees

The Board of Directors has constituted five Committees:

The composition of the Audit Committee is given below:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Dinesh Afzulpurkar	Chairman	Independent Director
Ms. Farzana Tavadia	Member	Independent Director
Mr. Girish Talwalkar	Member	Executive Director

Ms. Gayatri Valan Prasad, Company Secretary & Compliance officer, acts as the Secretary of the Committee.

The Company was not required to hold an Audit Committee Meeting as the Company was not listed as on 31st March, 2018. From financial year 2018-19 the meeting of the Audit Committee will be held as per the requirements and as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

2) Nomination and Remuneration Committee

Your Company has constituted Nomination and Remuneration Committee vide Board Resolution dated 29th March, 2018. The

1) Audit Committee

The Audit Committee was constituted vide Board Resolution dated 29th March, 2018. The composition, powers, role and the terms of reference of the Audit Committee are in line with the provisions as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations. It recommends the appointment of Auditors, reviews and monitors Auditors independence, examines financial matters and financial statement of our Company, financial statements of the subsidiaries, analyses inter-corporate loans and investments, approves related party transactions, evaluates internal financial controls and risk management systems, invites comments on Internal Control Systems and its weaknesses and all other matters to be mandatorily done/reviewed by the Audit Committee under the Companies Act, 2013, SEBI Listing Regulations and other applicable laws, rules and regulations.

composition, powers, role and the terms of reference of the Nomination and Remuneration Committee are in line with the provisions as specified under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. It reviews the remuneration policy and recommends the remuneration package for the Executive Directors in accordance with the provisions of the Companies Act, 2013, sets criteria for evaluation of performance of Directors and all other matters to be mandatorily done/ reviewed by the Nomination and Remuneration Committee under the Companies Act, 2013 and SEBI Listing Regulations.

The composition of the Nomination and Remuneration Committee is given below:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Dinesh Afzulpurkar	Chairman	Independent Director
Ms. Farzana Tavadia	Member	Independent Director
Mr. Prashant Talwalkar	Member	Non- Executive Director

Ms. Gayatri Valan Prasad, Company Secretary & Compliance officer, acts as the Secretary of the Committee.

The Company was not required to hold a Nomination and Remuneration Committee Meeting as the Company was not listed as on 31st March, 2018. From financial year 2018-19 the meeting of the Nomination and Remuneration Committee will be held as per the requirements and as specified under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

Remuneration Policy

Your Company has a well defined Remuneration Policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The qualification, positive attributes and independence of a Director is balanced with the Remuneration given with a due regard to the motivation and encouragement to the Directors to put their best foot forward.

Criteria for Evaluation of the performance of Independent Directors

The evaluation of the performance of Independent Directors is based on review of the strengths in terms of qualification, positive

attributes, independence of the Director, appropriate skills to carry out his duties, knowledge, experience, submissions done by the Director in varied disciplines related to the Company's business. Also, the role of Independent Directors and criteria of independence as envisaged in Schedule IV of the Companies Act, 2013 and the SEBI Listing Regulations are the foundation for quality comparison of the performance of Independent Directors.

3) Stakeholders' Relationship Committee

The Company has constituted Stakeholders' Relationship Committee vide Board Resolution dated 29th March, 2018 for redressing the Shareholders / Investors complaints. The composition, powers, role and the terms of reference of the Stakeholders' Relationship Committee are in line with the provisions as specified under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. It considers and resolves the grievances of security holders of the Company, share transfers and all other matters to be mandatorily done /reviewed by the Stakeholders' Relationship Committee under the Companies Act, 2013 and the SEBI Listing Regulations.

The composition of the Stakeholder's Relationship Committee is given below:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Dinesh Afzulpurkar	Chairman	Independent Director
Ms. Farzana Tavadia	Member	Independent Director
Mr. Girish Talwalkar	Member	Executive Director

Ms. Gayatri Valan Prasad, Company Secretary & Compliance officer, acts as the Secretary of the Committee.

During the year, No complaint was received from the shareholders. As on 31st March, 2018, no complaints remained pending/unattended and no share transfers remained pending for over 15 days.

The Company was not required to hold a Stakeholders' Relationship Committee Meeting as the Company was not listed as on 31st March, 2018. From financial year 2018-19, the meeting of the Stakeholders' Relationship Committee will be held as per the requirements and as specified under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

4) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee was constituted vide Board Resolution dated 18th May, 2018. The composition, powers, role and the terms of reference of the CSR Committee are in line with the provisions as specified under Section 135 of the Companies Act, 2013. The terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013 and its respective rules, to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy, monitor the CSR Policy of the Company from time to time, to comply with the applicable provisions of the Companies Act, 2013 and rules, regulations made there-under.

The composition of the CSR Committee is given below:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Dinesh Afzulpurkar	Chairman	Independent Director
Mr. Girish Talwalkar	Member	Executive Director
Mr. Prashant Talwalkar	Member	Non-Executive Director

5) Prevention of Sexual Harassment Committee

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, implemented by Ministry of Law and Justice (Legislative Department), Government of India, Prevention of Sexual Harassment Committee was formed to prevent any incident of sexual harassment of women at workplace and redressal of their complaints in the matter to ensure women's right to gender equality, life and liberty and equality in working conditions and other women related issues.

The composition of the Prevention of Sexual Harassment Committee is given below:

Name of Member	Designation in the Committee
Ms. Gayatri Valan Prasad	Chairperson
Ms. Anupa Kamble	Member
Ms. Rekha Dalvi	Member
Ms. Mrunalini Deshmukh	Member

During the financial year 2017-18, the Company has received no complaints on sexual harassment and as such no complaints have been disposed off or were pending as on 31st March, 2018.

Meeting of Independent Directors

Company has appointed two Independent Directors viz. Mr. Dinesh Afzulpurkar and Ms. Farzana Tavadia with effect from 29th March, 2018. Annually a separate meeting of Independent Directors will be held to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company.

Familiarisation programme for Board Members

Your Company furnished detailed information to its Independent Directors about the functioning of the Company comprising of the various financial, legal and operational matters with a view to give an insight into the working of the Company. (Weblink is as follows: <https://talwalkarslifestyles.com/wp-content/uploads/2018/07/Familiarisation-Programme-of-Independent-Directors-1.pdf>)

General Body Meetings

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

• Annual General Meeting (AGM)

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

Financial Year	Date and Time	Venue	Special Resolutions Passed
2016-17	30 th September, 2017 at 11.30 a.m.	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026.	No special resolutions were passed in the AGM

Note: As the Company was incorporated on 23rd April, 2016, only one AGM has been convened so far.

• Extra-Ordinary General Meeting (EGM)

4 (Four) Extra-Ordinary General Meetings were held in last three years.

Financial Year	Date and Time	Venue	Special Resolutions Passed
2016-17	24 th November, 2016 at 11.30 a.m.	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026	• Consider and Adopt Audited Financial Statement for half year ended 30 th September, 2016 along with the Auditors Report.

Financial Year	Date and Time	Venue	Special Resolutions Passed
2017-18	21 st December, 2017 at 11.30 a.m.	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026	<ul style="list-style-type: none"> • Approval for increase in borrowing limits of the Company to 675 crores • Approval for creation of charge on movable and immovable properties of the company both present and future, in respect of borrowings • Approval for offer or invitation to subscribe to Non-Convertible Debentures on Private Placement Basis • Approval for Investments, Loans, Guarantees and Security in Excess of Limits specified u/s 186 of the Companies Act, 2013
2017-18	8 th February, 2018 at 5.00 p.m.	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026	<ul style="list-style-type: none"> • Approval for increase in borrowing limits of the Company to 1000 crores • Approval for creation of charge on movable and immovable properties of the company both present and future, in respect of borrowings • Approval for offer or invitation to subscribe to Non-Convertible Debentures on Private Placement Basis • Approval for Investments, Loans, Guarantees and Security in Excess of Limits specified u/s. 186 of the Companies Act, 2013
2017-18	15 th March, 2018 at 11.30 a.m.	801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400026	<ul style="list-style-type: none"> • Increase in Authorised Capital of the Company (Ordinary Resolution) • Alteration of Capital Clause of the Memorandum of Association for increase in Authorised Share Capital (Ordinary Resolution)

Note: Company was incorporated on 23rd April, 2016.

• Postal Ballot

During the financial year 2017-18, one resolution was passed through Postal Ballot, details of the business along with voting pattern for the said resolution is set out herein below:

Details of Business	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
Approval on the Scheme of Arrangement proposed between Talwalkars Better Value Fitness Limited ("Demerged Company") and Talwalkars Lifestyles Limited ("Resulting Company")	Special	10,000	10,000	100.00	0	0.00

Mr. Girish Talwalkar, Director of the Company was authorized to supervise and control the entire postal ballot process and Mr. Bharat R. Upadhyay, Practicing Company Secretary was appointed as scrutinizer for scrutinizing the Postal Ballot Process. Procedure prescribed under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 were followed for conducting the said Postal Ballot.

Other Disclosures

Disclosure of Related Party Transactions

All related party transactions have been entered into in the ordinary course of business. All transactions with the related parties or others were entered on an arm's length basis. Details of related party transactions have been provided in the Financial Statements. There was no material individual transaction with the related parties other than in the normal course of business. The Company has not entered into material significant related party transactions which have potential conflict with the interest of the Company at large.

The Board has approved a policy for related party transactions which has been uploaded on Company's website at the following weblink: <https://talwalkarslifestyles.com/wp-content/uploads/2018/07/Policy-on-Related-Party-Transactions.pdf>

Disclosure of Accounting Treatment

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

Vigil Mechanism/ Whistle blower policy

Your Company believes in promoting ethical behavior in its business activities and is progressive in designing a mechanism of reporting the grievances, illegal or unethical behavior or any other genuine concern by any employee of the Company. The Company takes utmost care to maintain the confidentiality of those, reporting the concerns/problems/violations and such people are not subjected to any discriminatory practice. Your Company has devised a whistleblower policy and the same is uploaded on Company's website www.talwalkarslifestyles.com.

Subsidiary Companies

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

The Company has a policy for determining 'material subsidiaries' which has been uploaded on Company's website at the following weblink: <https://talwalkarslifestyles.com/wp-content/uploads/2018/08/Policy-on-Determining-Material-Subsidiaries.pdf>

Details of non-compliance

The Company has complied with all the requirements of the Stock Exchanges, the SEBI and other statutory authorities on all matters relating to listing of equity shares and they have not imposed any penalties on, or passed any strictures against, the Company.

Compliance Reports

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

Code of Conduct of Directors and Senior Management

The members of the Board and Senior Management personnel have affirmed the compliance with Code applicable to them during the year ended 31st March, 2018. The Annual Report of the Company contains a certificate by the Chairman of the Company on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

Management Discussion and Analysis Report

Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters as per the requirement of Regulation 34 of the SEBI Listing Regulations and is displayed on the Company's website www.talwalkarslifestyles.com

Compliance Certificate

Certificate in the prescribed format as per the requirement of Regulation 26 of the SEBI Listing Regulations was placed before the Board of Directors.

Qualification in the Auditors Report

There is no qualification in the Auditors Report for the year ended 31st March, 2018.

Communication to Shareholders

The Company believes that effective communication of information is an essential component of Corporate Governance. It is a process of sharing the information, ideas, thoughts, opinions, and plans with all the stakeholders which promotes management-shareholder relations. The Company maintains the dynamic website, making the information readily available to every member.

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

i) Quarterly Results:

Newspapers for publishing financial results: The Economic Times, Free Press Journal, Maharashtra Times and Nav Shakti.

ii) Website:

The Company's website at www.talwalkarslifestyles.com is regularly updated with the financial results.

iii) Annual report:

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

iv) Releases and Events:

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

v) Investor Presentations:

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

General Shareholders Information

Annual General Meeting	Wednesday, 26 th September, 2018 at 1.30 p.m. M.C. Ghia Hall of Indian Textile Accessories & Machinery Manufacturer's Association, Bhogilal Hargovindas Building, 4 th Floor, Kala Ghoda, 18/20, K. Dubash Marg, Mumbai – 400 001
Financial Year	1 st April to 31 st March
Financial Calendar (2017-18)	Not Applicable
Financial Calendar (2018-19)	
Unaudited results for the quarter ending 30 th June, 2018	On or before 14 th August, 2018
Unaudited results for the quarter ending 30 th September, 2018	On or before 14 th November, 2018
Unaudited results for the quarter ending 31 st December, 2018	On or before 14 th February, 2019
Audited results for the quarter and year ending 31 st March, 2019	On or before 29 th May, 2019
Book closure dates	Saturday, 22 nd September, 2018 to Wednesday, 26 th September, 2018 (both days inclusive)
Dividend payment date	On or after 26 th September, 2018
Stock Code/Symbol (Equity)	BSE – 541545 NSE – TALWGYM
ISIN for NSDL and CDSL	INE627Z01019
Corporate Identification Number (CIN)	U93090MH2016PLC280127

Listing Equity

Equity shares of the Company are listed on the following Stock Exchanges with effect from 29th June, 2018:

BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051
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The Company has duly paid the Listing Fees of the Stock Exchanges for the year 2018-19 within the stipulated time.

Debt Securities

1. 250 non-convertible debt securities (NCDs) of ₹10,00,000/- each aggregating to ₹25,00,00,000/- issued and allotted on 16th May, 2018 on private placement basis are listed with BSE Limited in the List of securities of 'F - Group - Debt Instruments' effective from 4th June, 2018.

Stock codes

Scrip code: 957957; Scrip ID: 95TLL19

ISIN Number for NSDL and CDSL for dematerialised securities: INE627Z07016

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

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

Stock market price data for the year on NSE & BSE

The Equity shares were listed and admitted to dealings on NSE and BSE with effect from 29th June, 2018. As the shares were not listed

during the year under consideration the stock market data on NSE and BSE is not provided.

Share Transfer System and Registrar and Transfer Agents

There are no share transfer requests pending as on 31st March, 2018. The Stakeholders' Relationship Committee is entrusted with the responsibility of approval of share transfers/transmissions.

The Company's shares are required to be compulsorily traded in the stock exchanges in the dematerialised form. Shares in the physical mode may be lodged for transfer and the same would be processed and returned within the stipulated time.

Subsequent to the Board's approval to share transfer, the share transfer activities will be carried out by the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited having its office at C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083.

SEBI has decided that securities of Listed Companies can be transferred only in dematerialised form from 5th December, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise their physical shares.

Distribution of Shareholding as on 31st March, 2018

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	21,962	22,53,178	7.27
5,001 to 10,000	1,089	8,72,710	2.82
10,001 to 20,000	550	8,35,874	2.70
20,001 to 30,000	174	4,47,654	1.44
30,001 to 40,000	85	3,06,890	0.99
40,001 to 50,000	64	3,03,381	0.98
50,001 to 1,00,000	135	9,96,101	3.20
More than 1,00,000	141	2,49,89,068	80.60
Total	24,200	3,10,04,856	100.00

Shareholding pattern as on 31st March, 2018

Category	No. of Shares held	% of Shareholding
Promoters & Promoters Group	1,15,76,060	37.34
Corporate Bodies (Promoter Co)	7,683	0.02
Clearing Member	3,00,550	0.97
Other Bodies Corporate	37,85,389	12.21
Foreign Institutional Investors (FII's)	6,187	0.02
Hindu Undivided Family	2,94,001	0.95
Mutual Funds	14,21,185	4.58
Non-Nationalised Banks	26,462	0.09
Non-Resident Indians (Repatriable)	3,04,459	0.98
Non-Resident Indians (Non-Repatriable)	1,27,613	0.41
Public	91,08,571	29.38
Foreign Portfolio Investor (Corporate)	40,42,696	13.04
Trusts	4,000	0.01
Total	3,10,04,856	100.00

Dematerialisation of shares

As on 31st March, 2018, 99.96% of the total paid up capital representing 3,09,91,687 shares, was held in dematerialised form and the balance 0.04% representing 13,169 shares was held in physical form. In accordance with SEBI Circular bearing code Cir/ISD/3/2011 dated 17th June, 2011, shareholding of the promoters and promoters group is in the dematerialised form.

Address for correspondence

Registered Office Address

Talwalkars Lifestyles Limited

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

Tel. No.: (022) 6612 6300; Fax No.: (022) 6612 6363

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

Registrar and Share Transfer Agent

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

Link Intime India Private Limited

(Unit - Talwalkars Lifestyles Limited)

C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083, India.

Tel No.: (022) 4918 6270; Fax No.: (022) 4918 6060

E-Mail: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board
Talwalkars Lifestyles Limited

Date: 12th July, 2018

Place: Mumbai

Prashant Talwalkar

Chairman

DIN: 00341715

Girish Talwalkar

Executive Director

DIN: 00341675

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To
The Members
Talwalkars Lifestyles Limited

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personnel of

the Company have affirmed compliance with the code of conduct as applicable to them during the year ended 31st March, 2018.

For and on behalf of the Board
Talwalkars Lifestyles Limited

Prashant Talwalkar
Chairman
DIN: 00341715

Date: 12th July, 2018
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Talwalkars Lifestyles Limited

We have examined the compliance of conditions of Corporate Governance by Talwalkars Lifestyles Limited ("the Company"), as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015) to the extent applicable during the year ended 31st March, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 during the year ended 31st March, 2018.

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

For **Geeta Canabar & Associates**
Practicing Company Secretary
FCS 8702 CP 8330

Date: 12th July, 2018
Place: Mumbai

Geeta Canabar
Proprietor

COMPLIANCE CERTIFICATE

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

To
The Board of Directors
Talwalkars Lifestyles Limited

We, Prashant Talwalkar, Chairman and Girish Talwalkar, Executive Director of Talwalkars Lifestyles Limited, to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2018 and to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company

pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

- D. We have indicated to the Auditors and the Audit Committee:
 - (1) that there are no significant changes in internal control over financial reporting during the year;
 - (2) that there are no significant changes in accounting policies during the year; and
 - (3) that there are no instances of significant fraud of which we have become aware, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board
Talwalkars Lifestyles Limited

Date: 12th July, 2018
Place: Mumbai

Prashant Talwalkar
Chairman
DIN: 00341715

Girish Talwalkar
Executive Director
DIN: 00341675

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF **TALWALKARS LIFESTYLES LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Talwalkars Lifestyles Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required

to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the said order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone Ind AS Financial statements.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements,
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lakdawala & Associates,
(ICAI Regn. No.105518W)

K.P.Lakdawala

Date: May 18, 2018
Place: Mumbai

Proprietor
Membership No.035633

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b. The Fixed Assets have been physically verified by the management at regular Intervals and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. The Company has granted interest free unsecured loans to its Subsidiary Companies covered in the register maintained under section 189 of the Companies Act, 2013. -
 - a. The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
 - b. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii)(b) and (c) of the Order is not applicable.
4. According to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security given by the Company.
5. The Company has not accepted any deposits from the public and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
6. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act is not applicable to the Company.
7. a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues of Service Tax, Value Added Tax, Income Tax, Goods and Service Tax (GST) and other material statutory dues applicable to it.
- b. According to the information and explanation given to us, the Company has no statutory dues which have not been deposited on account of disputes.
8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
9. The moneys raised by way of debt instruments and term loans were generally applied for the purposes for which the loans were raised.
10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act 2013.
12. The Company is not a Nidhi Company and hence provisions of clause 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the notes to standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Lakdawala & Associates,
(ICAI Regn. No.105518W)

K.P.Lakdawala

Proprietor

Membership No.035633

Date: May 18, 2018

Place: Mumbai

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Talwalkars Lifestyles Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of

Chartered Accountants of India and the company's internal financial controls over the financial reporting were operating effectively as of March 31, 2018.

For Lakdawala & Associates,
(ICAI Regn. No.105518W)

K.P.Lakdawala

Proprietor

Membership No.035633

Date: May 18, 2018

Place: Mumbai

Standalone Balance Sheet as at March 31, 2018

(₹ in million)				
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
I) Non- Current Assets				
(a) Property, Plant and Equipment	3	3,353.55	2,761.04	2,182.87
(b) Capital work in progress		538.85	313.17	588.54
(c) Goodwill	4	78.27	78.27	78.27
(d) Other intangible assets	4	90.12	90.12	-
(e) Financial Assets				
(i) Investments	5	1,322.71	1,083.93	483.83
(ii) Other financial assets	6	1,430.35	1,316.99	643.30
(f) Other non-current assets	7	206.90	273.36	242.98
		7,020.75	5,916.88	4,219.79
II) Current Assets				
(a) Inventories	8	132.57	-	-
(b) Financial Assets				
(i) Investments	9	74.85	0.32	0.29
(ii) Loans	10	398.65	264.33	92.66
(iii) Trade receivables	11	140.50	1.25	247.16
(iv) Cash and cash equivalents	12	420.47	334.99	530.99
(v) Bank balances other than (iii) above	13	-	4.38	5.75
(vi) Other financial assets	14	163.62	218.88	71.84
(c) Other current Assets	15	205.46	137.17	179.14
		1,536.12	961.32	1,127.83
Total Assets (I+II)		8,556.87	6,878.20	5,347.62
EQUITY AND LIABILITIES				
I) Equity				
(i) Equity share capital	16	310.05	297.05	297.05
(ii) Other equity	17	4,196.96	3,177.01	2,705.79
Total Equity		4,507.01	3,474.06	3,002.84
II) Liabilities				
(i) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	3,001.91	2,759.77	1,729.46
(ii) Other financial liabilities	19	1.49	13.49	20.75
(b) Deferred tax liabilities (net)	25	204.19	143.84	134.12
(c) Other non-current liabilities	20	0.52	0.63	0.74
		3,208.11	2,917.73	1,885.07
(ii) Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	21	75.16	107.14	99.21
(ii) Other financial liabilities	22	714.09	318.30	193.55
(b) Liabilities for current tax (net)	25	42.78	50.28	65.88
(c) Other current liabilities	23	9.67	0.66	91.04
(d) Provisions	24	0.05	10.03	10.03
		841.75	486.41	459.71
Total Liability (i+ii)		4,049.86	3,404.14	2,344.78
Total Equity and Liabilities (I+II)		8,556.87	6,878.20	5,347.62
Summary of significant accounting policies	1			
See accompanying notes forming part of the financial statements	(2-40)			

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants
Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor
Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar
Chairman

G. M. Talwalkar
Director

Gayatri Prasad

Company Secretary & Compliance Officer

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(₹ in million)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
1. Revenue			
(a) Revenue from Operations	26	2,307.38	2,077.78
(b) Other Income	27	122.95	19.37
Total Revenue		2,430.33	2,097.15
2. Expenses			
(a) Employee benefit expense	28	303.36	284.71
(b) Finance costs	29	154.02	106.47
(c) Depreciation and amortization expenses	30	291.11	289.83
(d) Other expenses	31	653.39	582.22
Total Expenses		1,401.88	1,263.23
3. Profit before exceptional items and tax (1-2)		1,028.45	833.92
4. Exceptional Items	32	0.81	(3.92)
5. Profit before tax (3 + 4)		1,029.26	830.00
6. Tax expense:	25		
(a) Current tax		282.15	288.74
(b) Deferred tax		60.35	9.72
(c) Tax expenses relating to prior years		-	6.69
7. Profit for the year (5 - 6)		686.76	524.85
Other Comprehensive Income		-	-
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		686.76	524.85
8. Earning per equity share (of ₹ 10 each) :	33		
(a) Basic		22.15	16.93
(b) Diluted		22.15	16.93
Summary of significant accounting policies	1		
See accompanying notes forming part of the financial statements	(2-40)		

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants

Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor

Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar

Chairman

G. M. Talwalkar

Director

Gayatri Prasad

Company Secretary & Compliance Officer

Statement of Changes in Equity for the year ended March 31, 2018

A) EQUITY SHARE CAPITAL

(₹ in million)

Particulars	Amount
Balance as at April 1, 2016	-
Changes in equity share capital during the year	-
Balance as at March 31, 2017	-
Changes in equity share capital during the year	310.05
Balance as at March 31, 2018	310.05

B) OTHER EQUITY

(₹ in million)

Particulars	General Reserve	Debenture Redemption Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at April 1, 2016	83.52	121.73	828.65	1,671.89	2,705.79
Transfer from Retained Earnings	30.85	105.81	-	-	136.67
Total comprehensive income for the year	-	-	-	524.85	524.85
Transfer From Debenture Redemption Reserve	107.90	-	-	-	107.90
Transfer to Debenture Redemption Reserve	-	-	-	(105.81)	(105.81)
Transfer to General Reserve	-	(107.90)	-	(30.85)	(138.76)
Final Dividend & DDT on Equity Shares	-	-	-	(53.63)	(53.63)
Balance as at March 31, 2017	222.27	119.64	828.65	2,006.45	3,177.01
Total comprehensive income for the year	-	-	-	686.76	686.76
Transfer from retained earnings	-	198.10	-	-	198.10
Receipt during the year	-	-	400.83	-	400.83
Utilized for preferential allotment	-	-	(13.00)	-	(13.00)
Share issue expenses	-	-	(1.01)	-	(1.01)
Transfer to Debenture Redemption Reserve	-	-	-	(198.10)	(198.10)
Final Dividend & DDT	-	-	-	(53.63)	(53.63)
Balance as at March 31, 2018	222.27	317.74	1,215.47	2,441.48	4,196.96

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants

Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor

Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar

Chairman

G. M. Talwalkar

Director

Gayatri Prasad

Company Secretary & Compliance Officer

Statement of Cash Flow for the year ended March 31, 2018

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	1,029.26	830.00
Adjustments for :		
Depreciation and Amortisation	291.11	289.83
Finance cost (Net) (including financial liabilities measured at amortised cost)	154.02	106.47
Interest Income (including fair value change in financial instruments)	(17.74)	(17.72)
Dividend Income	(4.42)	-
Gain on financial assets measured at fair value through Profit and Loss account	(99.68)	(0.17)
Gain/Loss on foregin exchange fluctuation (Net)	(0.04)	(0.01)
(Profit)/Loss on sale of Property, Plant and Equipment	(0.81)	3.92
Operating Profit before Working capital changes	1,351.70	1,212.32
Adjustments for Working Capital Changes :		
(Increase)/Decrease in Trade Receivables	(139.21)	245.90
(Increase)/Decrease in Other Current Assets	(55.98)	40.68
(Increase)/Decrease other loan and advances	(218.55)	(113.88)
(Increase)/Decrease financial assets	111.35	(569.74)
(Increase)/Decrease in Inventories	(132.57)	-
Increase/(Decrease) in Trade payables	(31.97)	12.65
Increase/(Decrease) in financial liabilities	(7.11)	(102.88)
Increase/(Decrease) in other payables	8.90	0.55
Increase/(Decrease) in Provisions	(9.98)	-
Cash generated from operations	876.58	725.60
Net Income Tax (Paid) / Refund	(289.65)	(311.04)
Net cash (used in)/ from operating activities	586.93	414.56
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Expenditure on Property, Plant & Equipments including Capital Advances	(1,070.20)	(728.08)
Proceeds from sale of Property, Plant & Equipments	15.84	16.04
Income from Investment activity	0.78	0.95
Dividend income	4.42	-
Loan and advances received (repaid) to associate & related parties	84.22	(61.49)
Purchase of investment in Associate/ subsidiaries	(78.78)	(0.10)
Share application money given	(410.00)	(600.00)
Share application money refund/(paid)	350.00	-
Net (investment in)/ Proceeds from bank deposits	(148.56)	(232.83)
Net cash (used in)/from Investing activities	(1,252.28)	(1,605.51)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	399.82	-
Issue proceeds from Non Convertible Debentures	298.42	447.70
Proceeds from Term Loan	296.93	690.24
Repayment of Long term and other borrowings	(1.20)	(4.85)
Finance cost paid (net)	(114.98)	(84.50)
Dividend Paid (Including dividend distribution tax)	(53.63)	(53.63)
Net cash (used in)/from Financing Activities	825.36	994.96
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	160.01	(195.97)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	335.32	531.29
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	495.33	335.32

Components of cash and cash equivalent considered only for the purpose of cash flow statements:-

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalent comprises of:		
Cash on hand	15.74	13.30
Balances with Banks:		
- Current Accounts	404.73	269.64
Cheques, drafts on hand	-	36.75
Fixed deposits with banks, having original maturity of three months or less	-	15.30
Cash and cash equivalents	420.47	334.99
Investment in Liquid mutual funds - Quoted	74.85	0.32
Cash and cash equivalents in Cash Flow Statement	495.33	335.32

Notes:

- a) The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.
- b) Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments.

March 31, 2018	Opening balance	Cash flows	Non cash changes Fair value changes	Current/(non current) Classification	Closing balance
Long term secured borrowings	2,759.77	602.93	3.54	(364.33)	3,001.91
Total liabilities from financing activities	2,759.77	602.93	3.54	(364.33)	3,001.91

March 31, 2017	Opening balance	Cash flows	Non cash changes Fair value changes	Current/(non current) Classification	Closing balance
Long term secured borrowings	1,729.46	1,153.68	(17.00)	(106.39)	2,759.77
Total liabilities from financing activities	1,729.46	1,153.68	(17.00)	(106.39)	2,759.77

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants
Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor
Membership no.: 035633

For and on behalf of the Board of Directors

P. S. Talwalkar
Chairman

G. M. Talwalkar
Director

Gayatri Prasad

Company Secretary & Compliance Officer

Mumbai

Date: May 18, 2018.

Notes forming part of standalone financial statements for the year ended March 31, 2018

Company Overview:

Talwalkars Lifestyles Limited (the 'Company') is a public limited company domiciled in India.

The Company is in the business of health club by providing all kinds of services in fitness including gyms, spas, aerobics, health counseling, yoga, steam and sauna bath, Jacuzzi, physiotherapy service and to buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, clothing items, fitness equipments and product and consultancy and franchise services.

1. Statement of Significant Accounting Policies and Key Accounting and Judgements :

1.1. Basis of preparation of financial statements

The standalone financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and the other relevant provisions of the Act and Rules thereunder.

The standalone financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2014, which was the "Previous GAAP".

The amounts in the accompanying financial statements have been stated in million of Indian rupees and rounded off to two decimals.

1.2. Property, Plant and Equipment (PPE)

Under the Previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to Ind AS, all items of property, plant and equipments have been measured at fair value and same has been considered as deemed cost as at April 01, 2016 (date of transition).

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use). 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 property, plant and equipments and capitalized.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

An item of property, plant and equipment and any significant part initially recognized separately as part of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

Depreciation on property, plant and equipment is provided from the date the assets are put to use on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful life (in years)
Building	60 years
Lease Hold Improvements and Furniture & Fittings	10 years
Electrical Installations	10 years
Office Equipment	5 years
Computers	6 years
Gym Equipments	15 years

The company has elected the option of fair value as deemed cost for all items of property, plant & equipment as on the date of transition to Ind AS.

Capital work in progress is stated at cost less impairment losses, if any. Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure incurred during construction period is included under capital work in progress & the same is allocated to the respective PPE on the completion of its construction.

Capital work in progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

1.3. Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. Accordingly amounts amortized under previous GAAP have been reversed on the date of transition to Ind AS. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is accounted for as a change in an accounting estimate in accordance with Ind AS 8.

1.4. Financial Instruments

1.4.1. Financial Assets

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i). Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

ii). Debt instruments at Fair value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in Other Comprehensive Income.

iii). Debt instruments at Fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

iv). Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) The Company has transferred substantially all the risks and rewards of the asset, or
- b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Accumulated gains or losses on equity instruments measured at FVTOCI are never reclassified to the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i). Trade Receivables,
- ii). Financial asset measured at amortised cost and
- iii). Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis.

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

1.4.2. Financial Liabilities

Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Intercompany loans not repayable on demand are discounted to its present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the loan and its present value is accounted based on the relationship with the borrower for e.g. in case of subsidiary, the difference is shown as further equity infusion in the subsidiary. The unwinding of discount from the date of loan to the transition date is shown as an income and recognised in "Retained Earnings" of the Lender.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.5. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.6. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.7. Employee Benefits

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

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

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

1.8. Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

1.9. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.10. Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Also the EIR amortization is included in finance cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.11. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

1.11.1 Revenue 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.

1.11.2 Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer and no effective ownership is retained. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.

1.11.3 Income by way of franchisee fees (including up-front fees) received pursuant to franchisee agreements entered, are recognized as income of the period in accordance with terms of the agreement, and as per data submitted by the franchisees.

1.11.4 Finance income is recognised as it accrues using the Effective Interest Rate (EIR) method.

1.11.5 Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

1.12. Taxes on Income

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

1.12.1 Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.12.2 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax asset and liability are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward.

1.13. Impairment of Non - financial Assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company Cash Generating Unit's (CGU) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that

the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

1.14. Inventories

Inventories of stock-in-trade are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

1.15. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless;

- (1) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset;
or
- (2) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.16. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.17. Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.18. Foreign Currency Transactions

Functional and Presentation Currency

The Financial Statements are presented in Indian rupees which is the functional currency for the Company. All amounts have been rounded off to the nearest million, unless otherwise indicated.

Monetary items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term monetary items taken prior to April 1, 2016) are recognised as:-

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

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.19. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration : On March 28, 2018, the ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from April 1, 2018. The company has evaluated the effect of this on the financial statements and the impact is not material.

Ind As 115, Revenue from Contract with Customers: On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers.

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

1.20. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

a. Operating lease commitments — Company as lessee

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in tax jurisdictions.

Estimates and assumptions

a. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

b. Impairment of assets

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

c. Useful lives of depreciable / amortisable assets (Property, plant and equipments, and intangible assets)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

d. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

e. Defined benefit obligation (DBO)

The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f. Deferred Tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the assets considered realizable, however, could be reduced in the near term if estimates of future taxable benefits of those deductible differences are reduced.

g. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument / assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case, the management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Note 2 : Disclosures as required by Indian Accounting Standard (Ind AS) 101 First time adoption of Indian Accounting Standard

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2014 which was the "Previous GAAP".

The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the financial statements for the year ended March 31, 2018, March 31, 2017 and the opening Ind AS Balance sheet on the date of transition i.e. April 1, 2016.

In preparing its Ind AS Balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

I) Explanation of transition to Ind AS

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A. Optional Exemptions availed

Fair valuation of Property, Plant and Equipment and Intangible assets

The company has elected the option of fair value as deemed cost for property, plant & equipment on the date of transition to Ind AS instead of carrying value under previous Indian GAAP as on April 1, 2016.

Investment in Subsidiaries, Joint Ventures and associates

The Company has elected either the Indian GAAP carrying amount or fair value at the date of transition as deemed cost for its investment in each subsidiary, joint venture or associate.

Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company has availed the said exemption and elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

B. Applicable Mandatory Exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

Investment in equity instruments carried at FVTPL or FVTOCI;

Investment in debt instruments carried at FVTPL; and

Impairment of financial assets based on expected credit loss model.

Derecognition of Financial Assets and Liabilities

Financial Assets and Liabilities derecognized before April 1, 2016 are not re-recognized under Ind AS. The company has not chosen to apply the Ind AS 109 Financial Instruments derecognizing criteria to an earlier date. No significant arrangements were identified that has to be assessed under this exception.

Impairment of Financial Asset

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C. Transition to IND AS-Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS as required under Ind AS 101:-

- I) Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)
- II) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017
- III) Reconciliation of Equity as on March 31, 2017 & April 1, 2016
- IV) Notes to Reconciliation

The presentation requirements under Previous GAAP differs from Ind AS. Hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

Note 2 : Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian Accounting Standard (Contd.)**I) Reconciliation of Balance Sheet as at April 1, 2016**

(₹ in million)

Particulars	Reference Note No.	As at March 31,2017 (Regrouped GAAP)	IND AS Adjustments	As at March 31,2017 (IND AS)	As at April 1, 2016 (Regrouped GAAP)	IND AS Adjustments	As at April 1,2016 (IND AS)
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	A(i)	2,957.60	(196.56)	2,761.04	2,397.16	(214.29)	2,182.87
(b) Capital Work in Progress	B (i)	339.43	(26.25)	313.17	592.66	(4.12)	588.54
(c) Goodwill	A(ii)	51.07	27.20	78.27	53.86	24.41	78.27
(d) Intangible assets under development	A(ii)	88.00	2.12	90.12	-	-	-
(e) Financial Assets							
(i) Investments	B (ii) , C	664.57	419.36	1,083.93	64.37	419.46	483.83
(ii) Other financial assets	B (iii)	1,426.25	(109.26)	1,316.99	746.76	(103.46)	643.30
(f) Other Non Current Assets	B (iii)	195.38	77.98	273.36	170.00	72.98	242.98
Total Non - Current Assets		5,722.30	194.58	5,916.88	4,024.81	194.98	4,219.79
Current assets							
(a) Financial Assets							
(i) Investments	B (iv)	0.22	0.10	0.32	0.22	0.07	0.29
(ii) Loans	B (v)	333.20	(68.88)	264.33	118.37	(25.71)	92.66
(iii) Trade receivables	B (v)	36.94	(35.69)	1.25	283.65	(36.49)	247.16
(iv) Cash and Cash Equivalents	C	334.87	0.12	334.99	530.99	-	530.99
(v) Bank Balances other than Cash and Cash Equivalents		4.38	-	4.38	5.75	-	5.75
(vi) Other financial assets		218.88	-	218.88	71.84	-	71.84
(b) Other Current Assets		137.17	-	137.17	179.14	-	179.14
Total Current Assets		1,065.67	(104.35)	961.32	1,189.96	(62.13)	1,127.83
TOTAL ASSETS		6,787.97	90.23	6,878.20	5,214.77	132.85	5,347.62
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		297.05	-	297.05	297.05	-	297.05
(b) Other Equity		3,044.88	132.13	3,177.01	2,493.46	212.33	2,705.79
Total Equity		3,341.93	132.13	3,474.06	2,790.51	212.33	3,002.84
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	B (i)	2,784.81	(25.04)	2,759.77	1,737.12	(7.66)	1,729.46
(ii) Other financial liabilities	B (ii)	13.94	(0.45)	13.49	21.14	(0.39)	20.75
(b) Deferred tax liabilities (Net)	D	160.52	(16.68)	143.84	151.85	(17.73)	134.12
(c) Other non-current liabilities	B (iii)	-	0.63	0.63	-	0.74	0.74
Total Non - Current Liabilities		2,959.26	(41.54)	2,917.73	1,910.12	(25.05)	1,885.07
Current Liabilities							
(a) Financial Liabilities							
(i) Trade payables		107.14	-	107.14	99.21	-	99.21
(ii) Other financial liabilities	B (i) & (ii)	318.83	(0.53)	318.30	194.45	(0.90)	193.55
(b) Current tax liabilities (Net)		50.28	-	50.28	65.88	-	65.88
(c) Other current liabilities	B(iii)	0.50	0.16	0.66	90.93	0.11	91.04
(d) Provisions	E	10.03	-	10.03	63.66	(53.63)	10.03
Total Current Liabilities		486.78	(0.36)	486.41	514.14	(54.43)	459.71
TOTAL EQUITY AND LIABILITIES		6,787.97	90.23	6,878.20	5,214.77	132.85	5,347.62

II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(₹ in million)

Particulars	Note	Year ended March 31, 2017 (Regrouped GAAP)	IND AS Adjustments	Year ended March 31, 2017 (IND AS)
1. Revenue				
(a) Revenue from Operations	B(iii)	2,077.67	0.11	2,077.78
(b) Other Income	B(ii) & B(iii)	2.40	16.97	19.37
Total Revenue		2,080.07	17.07	2,097.15
2. Expenses				
(a) Employee benefit expense		284.71	-	284.71
(b) Finance Costs	B (ii)	101.26	5.21	106.47
(c) Depreciation and amortization expense	A(i) & A(ii)	312.48	(22.65)	289.83
(d) Other expenses	B(iii) & B(v)	522.20	60.01	582.22
Total expenses		1,220.65	42.58	1,263.23
3. Profit before exceptional items and tax (1-2)		859.42	(25.50)	833.92
4. Exceptional Items		(3.92)	-	(3.92)
5. Profit before tax (3+4)		855.50	(25.50)	830.00
6. Tax expense:				
(a) Current tax		288.74	-	288.74
(b) Deferred tax	D	8.67	1.06	9.72
(c) (Excess) / short provision of tax in earlier years		6.69	-	6.69
7. Profit for the year (5 - 6)		551.40	(26.56)	524.84
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		551.40	(26.56)	524.84

III) Reconciliation of Equity as on March 31, 2017 & April 1, 2016

(₹ in million)

Particulars	Note No.	As at March 31, 2017	As at April 1, 2016
Total Equity (Shareholder's funds) as per previous GAAP		-	-
Add/(Less)			
On account scheme of demerger		3,341.93	2,790.51
Recalculation of transaction cost for borrowing as per effective interest rate	B(i)	(0.54)	4.59
Financial liability measured at amortised cost(security deposit received)	B(iii)	0.05	0.03
Financial assets measured at amortised cost(security deposit Given)	B(iii)	(11.33)	(10.48)
Financial liability measured at amortised cost (corporate guarantee)	B(ii)	7.03	0.23
Expected credit loss on Loans to subsidiaries & trade receivables	B(v)	(124.58)	(82.21)
Fair valuation of investment	C, B(iv)	418.70	418.70
Reversal of Amortisation on Trademarks/Copyrights/goodwill	A(ii)	22.68	24.41
Fair valuation as deemed cost for PPE	A(i)	(196.56)	(214.28)
Deferred Tax impact on above Ind AS adjustment	D	16.68	17.73
Reversal of Proposed Dividend including Dividend Distribution Tax	E	-	53.63
Total Impact		3474.06	3002.86
Total Equity as per Ind AS		3474.06	3002.86

IV) Notes to reconciliation of Balance Sheet as at April 1, 2016 and March 31, 2017 and the total comprehensive income for the year ended March 31, 2017

Note A : Property, Plant and Equipment

- (i) The Company has elected the option of fair value as deemed cost for property, plant & equipment and other intangible assets on the date of transition to Ind AS. This has resulted in an increase in deferred tax liability.
- (ii) Goodwill:- Under the Previous GAAP, the goodwill was amortized @ 4.75% p.a. using the straight line method. Under Ind AS, the useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful life are not amortised. Accordingly, amounts amortized under Previous GAAP have been reversed on the date of transition to Ind AS.

Note B : Amortised cost of financial assets and financial liabilities

(i) Borrowings:-

Under the Previous GAAP, transaction costs incurred in connection with borrowings are amortized upfront and charged to profit and loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit and loss using the effective interest method.

(ii) Corporate Gaurantee:-

As per Ind AS 109, financial guarantees given by the Company for its subsidiaries and other group companines are initially recognised as a liability and investment in equity at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the Previous GAAP.

(iii) Security Deposits:-

Under the previous Indian GAAP, the interest free security deposits both received and paid were carried at nominal amount. Under Ind AS, Lease / Security deposits received and paid, are measured at fair value on initial recognition. Unwinding of discount is treated as interest expense / income and is accrued as per the EIR method. The difference between the fair value and the nominal value of deposits is considered as rent in advance / prepaid rent and recognised over the lease term on a straight line basis.

(iv) Investment in Mutual fund:-

Under Ind AS, investments in Mutual Fund is carried at fair value through Profit and Loss as compared to being carried at cost under Previous GAAP. The adjustment represents the difference in the fair value and the cost of investments in Mutual Funds.

(v) Trade Receivable:-

Under Indian GAAP, the Company has created provision for impairment of receivables, loans which consists only in respect of specific amount for probable losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model.

Note C : Investment in Subsidiaries, Joint Ventures and Associates

The Company has availed the option to value investment in subsidiaries, associates and joint ventures at deemed cost. The deemed cost for this purpose can be either its fair value at the entity's date of transition to Ind AS in its separate financial statements or Previous GAAP carrying amount at the transition date. The Company has decided to use fair value as deemed cost for certain investments and for balance investments previous GAAP carrying amount is used.

Note D : Deferred Tax

Under Ind-AS accounting for deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base.

Note E : Proposed Dividend

Under the previous Indian GAAP, proposed dividend including dividend distribution tax (DDT), were recognised as liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting or paid.

3. Property, Plant and Equipment

(₹ in million)

Particulars	Leasehold improvements & Furniture & Fittings	Electrical Installation	Office equipments	Computer	Vehicles	Vehicle Under Lease	Gym Equipments	Total
Year Ended March 31, 2017								
Deemed Cost *								
As at April 1, 2016 (on account of merger)	1,007.46	311.00	78.27	98.16	0.77	4.95	682.27	2,182.87
Additions	248.69	81.31	48.45	31.22	0.08	-	478.21	887.97
(Disposals)	(2.64)	(3.84)	(0.45)	-	-	-	(13.04)	(19.96)
Closing Gross Carrying Amount	1,253.51	388.48	126.27	129.38	0.85	4.95	1,147.44	3,050.87
Accumulated Depreciation	-	-	-	-	-	-	-	-
For the year	131.84	34.94	25.65	23.26	0.04	3.95	70.15	289.83
Reversal on account of disposals	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	131.84	34.94	25.65	23.26	0.04	3.95	70.15	289.83
Net Carrying Amount as at March 31, 2017	1,121.67	353.53	100.63	106.12	0.80	1.00	1,077.29	2,761.04
Year Ended March 31, 2018								
Gross Carrying Amount								
As at April 1, 2017	1,253.51	388.47	126.27	129.38	0.85	4.95	1,147.44	3,050.87
Additions	326.91	95.67	75.03	4.58	-	-	396.44	898.64
(Disposals)	(0.25)	(0.30)	-	-	-	-	(24.14)	(24.69)
Closing Gross Carrying Amount	1,580.17	483.84	201.30	133.96	0.85	4.95	1,519.74	3,924.82
Accumulated Depreciation								
Upto March 31, 2017	131.84	34.94	25.65	23.26	0.04	3.95	70.15	289.83
For the year	134.33	36.27	39.31	24.67	0.16	0.20	56.16	291.11
(Reversal on account of disposals)	(0.01)	(0.04)	-	-	-	-	(9.62)	(9.67)
Closing Accumulated Depreciation	266.16	71.17	64.96	47.93	0.20	4.15	116.70	571.27
Net Carrying Amount as at March 31, 2018	1,314.01	412.67	136.34	86.03	0.65	0.80	1,403.04	3,353.55

* Refer note 2 - Transition to Ind AS

4. Intangible assets

(₹ in million)

Particulars	Goodwill	Trademarks / Copyrights
Year Ended March 31, 2017		
Gross Carrying Amount		
Deemed Cost as at April 1, 2016 (on account of merger)	78.27	-
Additions		90.12
Closing Gross Carrying Amount	78.27	90.12
Accumulated Amortisation		
As at April 1, 2016	-	-
Amortisation Charge for the year	-	-
Closing Accumulated Amortisation	-	-
Closing Net Carrying Amount as at March 31, 2017	78.27	90.12
Year Ended March 31, 2018		
Gross Carrying Amount		
Opening Gross Carrying Amount	78.27	90.12
Additions		-
Closing Gross Carrying Amount	78.27	90.12
Accumulated Amortisation		
Opening Accumulated Amortisation	-	-
Amortisation charge for the year	-	-
Closing Accumulated Amortisation	-	-
Closing Net Carrying Amount as at March 31, 2018	78.27	90.12

5. Non Current Financial Assets - Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Investments valued at deemed cost			
(a) Investment in equity shares			
Investment In subsidiaries	5.45	11.54	11.44
Investment In foreign subsidiaries	78.78	-	-
Investment In joint ventures	5.11	5.11	5.11
Investment In associates	6.09	-	-
	95.42	16.65	16.55
(b) Share application money pending allotment	610.00	600.00	-
II. Investments valued at fair value			
Investment in equity shares			
Investment In associates	467.28	467.28	467.28
Investment In other companies	150.00	-	-
	617.28	467.28	467.28
	1,322.71	1,083.93	483.83

Note 5.1 Detailed list of non-current investments

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	(₹ in million)	Number	(₹ in million)	Number	(₹ in million)
I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated						
a) Investments in equity shares:						
i) In subsidiaries (including other equity component)						
Aspire Fitness Private Limited (Face value of ₹10/- each)	50,001	5.45	50,001	5.45	50,001	5.45
Inshape Health & Fitnez Pvt. Ltd. (Face value of ₹10/- each)	-	-	4,08,000	5.99	4,08,000	5.99
PWG fitness Pvt.Ltd (Face value of ₹10/- each)	-	-	10,000	0.10	-	-
		5.45		11.54		11.44
ii) In foreign subsidiaries						
Talwalkars Better Value Fitness (Singapore) PTE Ltd (Face value of US \$ 1 each)	5,70,000	78.78	-	-	-	-
(Face value of SGD \$ 1 each)	8,50,001					
		78.78		-		-
iii) In joint venture						
(Face value of ₹ 100 each)						
Denovo Enterprises Private Limited	50,100	5.01	50,100	5.01	50,100	5.01
Jyotsna Fitness Pvt.Ltd	1,001	0.10	1,001	0.10	1,001	0.10
		5.11		5.11		5.11
iv) In associate						
Power World Gym Ltd (Face value of ₹1.16/- (LKR 2.47/-) each)	4,21,08,459	467.28	4,21,08,459	467.28	4,21,08,459	467.28
Inshape Health & Fitnez Pvt. Ltd. (Face value of ₹10/- each)	4,08,000	5.99	-	-	-	-
PWG fitness Pvt.Ltd (Face value of ₹10/- each)	10,000	0.10	-	-	-	-
		473.37		467.28		467.28
(b) Share application money pending allotment						
PWG Fitness Private Limited Investment		250.00		200.00		-
Force Fitness Pvt.Ltd		-		350.00		-
Growfitter Pvt. Ltd.				50.00		
Abhipray Enterprises Pvt. Ltd		75.00		-		-
Satkam Enterprises Pvt. Ltd		75.00		-		-
Life Fitness Pvt. Ltd.		100.00		-		-
Bloom sports & fitness studio Pvt.Ltd.		110.00		-		-
		610.00		600.00		-
II. Investments valued at fair value, fully paid up, unquoted						
In other companies						
Growfitter Pvt. Ltd. (Face value of ₹ 10/- each)	9,598	150.00	-	-	-	-
		150.00		-		-

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate of non-current investments:			
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	1,322.71	1,083.93	483.83
Aggregate amount of impairment in value of investments	-	-	-

6. Non Current Financial Assets - Others

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	539.12	488.71	139.21
Deposit & margin money keep with quasi public bodies & others	-	90.00	-
Bank Deposits with original maturity of more than 12 months	891.23	738.28	504.09
	1,430.35	1,316.99	643.30

7. Other Non-Current Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	141.24	195.38	170.00
Others			
Prepaid expenses	65.66	77.98	72.98
	206.90	273.36	242.98

8. Inventories

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets held for sale	132.57	-	-
	132.57	-	-

9. Current Financial Assets - Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current investments			
Investments in mutual funds	74.85	0.32	0.29
	74.85	0.32	0.29

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos	(₹ in million)	Nos	(₹ in million)	Nos	(₹ in million)
Investments valued at fair value, fully paid up						
Investments in mutual fund						
Axis liquid fund- Growth		177.01 0.34		177.01 0.32		177.01 0.29
Kotak equity arbitrage fund -Monthly dividend		23,21,176.91 24.83		- -		- -
Reliance arbitrage advantage fund-Dividend		16,36,621.03 19.73		- -		- -
IDFC Arbitrage fund -Monthly dividend		1,97,27,666.26 29.96		- -		- -
Total Current investments		74.85		0.32		0.29

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate of current investments:			
Aggregate amount of quoted investments	74.85	0.32	0.29
Aggregate amount of unquoted investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-

10. Current Financial Assets - Loans

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured And Considered Good)			
Loans to related parties (refer note no.35)	66.22	150.44	88.96
Other loans and advances	332.43	113.88	3.70
	398.65	264.33	92.66

11. Trade Receivables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured And Considered Good)			
Trade receivables	140.50	1.25	247.16
	140.50	1.25	247.16

12. Cash & Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	15.74	13.30	51.07
Balances with Banks			
In current accounts	404.73	269.64	468.79
Cheques, Drafts on hand	-	36.75	-
Fixed deposits with banks, having original maturity of three months or less	-	15.30	11.13
	420.47	334.99	530.99

13. Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposit with banks, having original maturity of more than three months but less than twelve months	-	4.15	5.54
Fixed deposits with banks (lien marked)	-	0.23	0.21
	-	4.38	5.75
	420.47	339.37	536.74

14. Current Financial Assets - Other

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earnest Money	-	10.68	13.54
Earmarked balance for Demerger expenses	-	70.00	17.24
Contractually reimbursible expense	62.90	67.50	-
Receivable on sale of assets	25.70	25.70	25.26
Retention money	30.85	32.00	11.58
Security deposits	44.17	-	-
Others	-	13.00	4.22
	163.62	218.88	71.84

15. Other Current Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance recoverable other than cash	0.63	0.97	101.79
Prepaid expenses	52.22	58.33	17.09
Others	152.61	77.87	60.26
	205.46	137.17	179.14

16. Share Capital

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
SHARE CAPITAL			
AUTHORISED:			
3,20,00,000 (March 31, 2017 :10,000, April 1, 2016 : Nil) Equity Shares of ₹ 10/- each with voting rights	320.00	0.10	-
	320.00	0.10	-
ISSUED, SUBSCRIBED & PAID-UP:			
3,10,04,856 (March 31, 2017 :Nil, April 1, 2016 :Nil) Equity Shares of ₹ 10/- each with voting rights	310.05	-	-
	310.05	-	-
Share capital suspense account (on account of scheme of demerger)	-	297.05	297.05
	-	297.05	297.05
	310.05	297.05	297.05

(i) **Terms/ Rights attached to Equity Shares**

- (a) The Company has only one class of shares namely Equity Shares having a face value of ₹10 per share.
- (b) In respect of every Equity Share (Whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such Equity Share bears to the total paid up Equity capital of the Company.
- (c) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Board of Directors of the Company has proposed dividend of ₹ 1 per equity share for the financial year 2017-18. The payment of dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company.
- (d) In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year**

Details	As at March 31, 2018		As at March 31, 2017	
	No.	(₹ in million)	No.	(₹ in million)
Fully Paid up Shares Outstanding as at beginning of the year	-	-	-	-
Fully paid up shares issued during the year	3,10,04,856	310.05	10,000	0.10
Cancelled due to scheme of arrangement	-	-	(10,000)	(0.10)
Fully paid up shares Outstanding as at end of the year	3,10,04,856	310.05	-	-

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

Details	As at March 31, 2018	
	No. of shares held	% of holding
Equity Shares of ₹10/- each fully paid up		
1) Prashant Sudhakar Talwalkar & Nalina Ann Talwalkar	28,87,780	9.31%
2) Girish Madhukar Talwalkar & Nanda Girish Talwalkar	22,75,980	7.34%
3) Anant Ratnakar Gawande & Yamini Anant Gawande	25,00,200	8.06%
4) Vinayak Ratnakar Gawande & Madhuri Vinayak Gawande	15,31,900	4.94%
5) Harsha Ramdas Bhatkal & Smeeta Harsha Bhatkal	18,60,200	6.00%
6) Smallcap World Fund, Inc	23,89,000	7.71%
7) Laxmi Shivanand Mankekar & Kedar Shivanand Mankekar	19,53,520	6.30%
Total	1,53,98,580	

- (iv) Aggregate number and class of shares allotted to fully paid up pursuant to contract without payment being received in cash, bonus shares, and shares brought back for the period of five years immediately preceeding the Balance Sheet date is Nil
- (v) Forfeited shares and calls unpaid- Nil

17. Other Equity

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General reserve			
Opening Balance	222.28	83.52	83.52
Transferred during the year	-	30.85	-
Amount transferred from Debenture redemption reserve on redemption	-	107.90	-
	222.27	222.27	83.52
Debenture redemption reserve			
Opening Balance	119.64	121.73	121.73
Transferred during the year	198.10	105.81	-
Amount transferred to General reserve on redemption	-	(107.90)	-
	317.74	119.64	121.73
Securities premium account			
Opening balance	828.65	828.65	828.65
Receipt during the year	400.83	-	-
Utilized for preferential allotment	(13.00)	-	-
Share issue expenses	(1.01)	-	-
	1,215.47	828.65	828.65
Surplus in statement of profit and loss			
Opening balance	2,006.45	1,671.89	1,671.89
Total comprehensive income for the year as per statement of profit and loss	686.76	524.85	-
Debenture redemption reserve	(198.10)	(105.81)	-
General reserve	-	(30.85)	-
Final Dividend & DDT	(53.63)	(53.63)	-
	2,441.48	2,006.45	1,671.89
	4,196.96	3,177.01	2,705.79

18. Non Current Financial Liabilities - Borrowings

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
1. Redeemable Non-Convertible Debentures			
(Face value of ₹1 million each fully paid up unless otherwise stated at)			
250 (PY: 250), 11.75% debentures redeemable from April 25, 2018 in 3 equal annual installment	277.08	276.77	276.49
250 (PY : 250), 10.25% debentures redeemable on December 7, 2018	258.35	257.62	256.88
250 (PY: 250), 10.10% debentures redeemable from November 6, 2019 in 3 equal annual installment	259.54	259.13	258.41
200 (PY: 200), 9.85% debentures redeemable on June 17, 2021	214.24	213.93	-
250 (250), 9.60% debentures redeemable from January 3, 2021 in 3 equal annual installment	254.24	254.01	-
300 (Nil), 9.60% debentures redeemable from April 11, 2022 in 3 equal annual installment	326.43	-	-

(₹ in million)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
2. Term Loan			
From bank	2,121.24	1,815.26	1,125.03
3. Finance lease obligations	-	1.20	6.05
	3,711.11	3,077.92	1,922.86
Less: Current maturity of long term debt	31.30	-	142.94
Less: Current maturity of finance lease obligation	-	1.20	4.80
Less: Current maturities of Non Convertible Debentures	677.90	316.95	45.66
	3,001.91	2,759.77	1,729.46

Notes:

- All the secured Non-convertible debentures are secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed.
- All loans are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable fixed assets and current assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage or registered mortgage of immovable premises of the Company, corporate guarantee and collateral security by way of equitable mortgage or registered mortgage of premises of third parties situated at Tardeo and Mahalaxmi, Mumbai.
- Terms of repayment of Term loans (exclusive of transaction cost)

Year	(₹ in million)
2018-19	31.30
2019-20	103.29
2020-21	345.02
2021-22	484.53
2022-23	462.16
2023-24	460.03
2024-25	243.45

19. Non-Current Financial Liabilities - Other

(₹ in million)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits	1.30	1.22	1.13
Financial guarantee contracts	0.19	0.33	0.48
Payable to subsidiary company	-	11.94	19.14
	1.49	13.49	20.75

20. Other Non-Current Liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Revenue received in advance	0.52	0.63	0.74
	0.52	0.63	0.74

21. Trade Payables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	73.32	101.93	94.48
Others			
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.84	5.21	4.73
	75.16	107.14	99.21

22. Current Financial Liabilities - Other

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long-term debts	31.30	-	142.94
Current maturities of finance lease obligations	-	1.20	4.80
Current maturities of Non Convertible Debentures	677.90	316.95	45.66
Financial guarantee contracts	0.15	0.15	0.15
Payable to subsidiary company	4.74	-	-
	714.09	318.30	193.55

23. Other Current Liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Revenue received in advance	0.11	0.11	0.11
Other payables			
Statutory dues	8.76	0.50	90.93
Others	0.80	0.05	-
	9.67	0.66	91.04

24. Provisions

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Provision for gratuity	0.05	0.10	0.10
Others			
Provision for CSR activity	-	9.93	9.93
	0.05	10.03	10.03

25. Tax Expenses

(a) Amounts recognised in Statement of Profit and Loss

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax expense (A)		
Current year	282.15	288.74
Short/(Excess) provision of earlier years	-	6.69
	282.15	295.43
Deferred tax expense (B)		
Origination and reversal of temporary differences	60.35	9.72
Tax expense recognised in the income statement (A+B)	342.50	305.15

(b) Reconciliation of effective tax rate

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	1,029.26	830.00
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	356.21	287.25
Tax effect of:		
Adjustment for expenses disallowed under Income Tax Act	115.38	127.04
Adjustment for expenses allowable under Income Tax Act	(146.64)	(118.77)
Adjustment for income not taxable	(41.74)	(5.88)
Others	(1.06)	(0.90)
Income tax expense as per Statement of Profit & Loss	282.15	288.74
Effective tax rate	27.41%	34.79%

(c) Deferred Tax Liability (Net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities			
On Property, Plant & Equipments	121.80	83.67	77.51
On fair valuation of investment	120.03	96.14	83.72
On Others	3.21	6.08	-
Deferred tax assets			
On Expected credit loss	(34.99)	(36.19)	(12.63)
On Others	-	-	(8.62)
MAT Credit Entitlement	(5.86)	(5.86)	(5.86)
	204.19	143.84	134.12

(d) Liabilities for current tax (net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax (net of provisions)	42.78	50.28	65.88
	42.78	50.28	65.88

26. Revenue from Operations

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Sale of services	2,307.27	2,077.67
Other operating revenues	0.11	0.11
	2,307.38	2,077.78

27. Other Income

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Interest income on		
Bank fixed deposits	1.24	0.92
Others	16.50	16.80
Dividend income on investments	4.42	-
Fair valuation of financial assets measured through Profit and Loss A/c	99.68	0.17
Other non-operating income	1.07	1.12
Sundry credit balances no longer payable	-	0.35
Gain on foreign currency transactions and translation	0.04	0.01
	122.95	19.37

28. Employee Benefit Expense

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Salaries, Wages and Bonus	14.05	7.80
Contract fees for Labour/Security/ Housekeeping	280.32	268.41
Directors' Remuneration	8.40	8.40
Staff Welfare & Other Amenities	0.54	-
Contribution towards provident & other funds	0.05	0.10
	303.36	284.71

29. Finance Costs

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Interest expenses	150.42	104.67
Other Borrowing costs	3.60	1.80
	154.02	106.47

30. Depreciation and Amortisation Expense

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Depreciation on property, plant & equipment	291.11	289.83
	291.11	289.83

31. Other Expenses

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Administrative & Other Expenses		
Payment to Auditors	1.74	3.23
Internal Audit Fees	1.79	2.44
Electricity & Fuel expenses	67.37	66.73
Insurance Charges	6.93	3.85
Preliminary Expenses written off	0.85	-
Printing & Stationery	4.91	2.90
Professional Fees	26.21	10.83
Rates & Taxes	5.47	7.66
Interest on late payment of Statutory dues	41.62	10.82
Rent	346.06	345.97
Repairs & Maintenance		
- Building, Gym Equip. & Machinery	19.89	14.95
- Others	1.00	-
Telephone Expenses	8.57	6.45
Traveling & Conveyance Expenses	3.74	2.49
Water Charges	4.15	6.06
Other Expenses	55.29	51.38
Asset management fees	31.00	28.12
	626.59	563.88
(b) Selling & Marketing Cost		
Advertising expenses	18.83	15.25
Business promotion expenses	7.97	3.09
	26.80	18.34
Total (a+b)	653.39	582.22

Payment to auditor

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Statutory audit fees	1.15	2.22
Tax audit fees	0.12	0.21
In other capacity		
Other services	0.35	0.64
Out of pocket expenses	0.12	0.16
	1.74	3.23

32. Exceptional Items

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(Loss) on sale of Property, Plant and Equipment	0.81	(3.92)
Total	0.81	(3.92)

33. Earnings Per Share (Eps)

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax as per statement of profit and loss	686.76	524.85
Weighted average number of equity shares for basic EPS (in No.)*	31.00	31.00
Basic earnings per share (₹)	22.15	16.93
Diluted earnings per share (₹)	22.15	16.93

*Equity shares issued during the current year as part of the Scheme of demerger (refer note 34) have been considered for the computation of weighted average number of shares from the appointed date i.e. April 1, 2016.

34. Business Combination: Scheme of arrangement with Talwalkars lifestyles Limited

The Board of directors of the Talwalkars Better Value Fitness Limited" ("TBVFL") on November 24, 2016 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Talwalkars Better Value Fitness Limited ("TBVFL" or 'Demerged Company') and Talwalkars Lifestyles Limited ("TLL" or 'Resulting Company' or 'Company') & their respective shareholders & creditors for the demerger of gymnasium business into the Company. The Scheme of Arrangement for Demerger has been approved by National Company Law Tribunal (NCLT), Mumbai Bench on December 21, 2017 and it came into effect on February 20, 2018 (the "Effective Date"), the date on which the Order from National Company Law Tribunal (NCLT) was filed with the Registrar of Companies. Pursuant to the scheme of arrangement ('the scheme'), with effect from the Appointed date ie., April 01, 2016 the Gymnasium business from TBVFL of the company stands transferred to the newly formed company namely TLL. The scheme has been considered in these results by transferring the assets and liabilities as identified by the management as pertaining to the Gymnasium business with effect from the "Appointed Date". Also, the Income and Expenses of the Demerged Company have been determined based on management evaluation of relevant business activities to be continued in the Demerged Company.

Pursuant to the scheme the following assets, liabilities pertained to Gym Business have been transferred from TBVF to TLL w.e.f from April 1, 2016 at their respective Book value as follows:

Particulars	(₹ in million)
Assets	
Property, plant and equipment	2,397.16
Capital Work in Progress	592.68
Goodwill	53.86
Financial Assets- Non Current	811.13
Other Non Current Assets	170.00
Financial Assets-others	1,010.86
Other Current Assets	179.15
	5,214.83
Liabilities	
Financial Liabilities- Non current	1,758.26
Deferred tax liabilities (net)	151.85
Financial Liabilities-current	293.66
Liabilities for current tax (net)	65.88
Other current liabilities	154.59
	2,424.25
Net Assets Transferred	2,790.58

As a consideration for the value of net assets transferred, the Company shall issue 1 (One) fully paid up equity shares of INR 10 each in resulting Company for every 1 (One) Equity share of INR 10 each held in the demerged undertaking to the existing shareholders of the demerged undertaking as on the record date, aggregating to shares of INR 1 each. There is no contingent consideration payable on this acquisition.

Further, as per the Scheme, the excess of book value of assets over the book value of liabilities of the demerged undertaking shall be adjusted against the securities premium account/ capital reserve/general reserve/ balance in the statement of profit /loss of demerged undertaking.

Particulars	(₹ in million)
Excess of book value of assets over the book value of liabilities	2,790.58
Adjusted against:	
Debenture Redemption Reserve	121.72
General Reserve	83.52
Profit & Loss Account	1,459.60
Securities Premium Account	1,125.74

35. Related Party disclosure

A Name of related party and nature of its relationship

(a) Related parties where control exists

Subsidiaries

Aspire Fitness Private Limited
Talwalkars Better Value Fitness (Singapore) Pte Ltd

Step-down Subsidiaries

PWG Fitness (PVT)Limited (Sri Lanka)

(b) Name of associate with whom transactions were carried out during the year

Inshape Health& Fitnez Private Limited
Power World Gyms Limited
PWG Fitness Private Limited

(c) Name of joint ventures with whom transactions were carried out during the year

Denovo Enterprise Private Limited
Jyotsna Fitness Private Limited
Equinox Wellness Private Limited

(d) Name of KMP and their relatives with whom transactions have taken place during the year

Mr. Girish Talwalkar
Mr. Prashant Talwalkar
Mr. Madhukar Talwalkar

(e) KMP having significant influence with whom transactions have taken place during the year

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

35. Related Party disclosure (Contd.)

[illegible]

35. Related Party disclosure (Contd.)

[illegible]

C Disclosure in respect of material related party transaction during the year

(₹ in million)

Transactions	Name	Relationship	Year Ended March 31, 2018	Year Ended March 31, 2017
Loans and Advances given	Aspire Fitness Private Limited	Subsidiaries	-	25.17
	PWG fitness Pvt.Ltd	Associates	16.32	-
	Inshape Health & Fitnez Pvt Ltd	Associates	3.00	
	Denovo Enterprises Pvt Ltd	Joint Venture		37.97
	Jyotsna Fitness Pvt.Ltd	Joint Venture		35.00
	Radhika Hotels Pvt. Ltd.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.03	-
	Talwalkars Fitness Club	Enterprises over which Key Management Personnel & their relatives exercise significant influence	-	0.02
	Talwalkars Health & Leisure	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.37	0.22
	Talwalkars Health Club	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.03	0.21
	Talwalkars Health Complex	Enterprises over which Key Management Personnel & their relatives exercise significant influence	-	0.21
Repayment of Loans and Advances	Talwalkars Nutrition Centre	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.17	0.09
	Aspire Fitness Private Limited	Subsidiaries	28.66	
	Denovo Enterprises Pvt Ltd	Joint Venture	35.00	
Investment in shares Application Money	Jyotsna Fitness Pvt.Ltd	Joint Venture	27.90	
	PWG fitness Pvt.Ltd	Associates	50.00	-
	PWG fitness Pvt.Ltd	Subsidiaries		200.00
	Life Fitness India Pvt.Ltd	Enterprises over which Key Management Personnel & their relatives exercise significant influence	100	-
Investment in shares	Talwalkars Better Value Fitness (Singapore) Pte Ltd	Subsidiaries	78.78	-
	PWG fitness Pvt.Ltd	Subsidiaries	-	0.10

Transactions	Name	Relationship	Year Ended March 31, 2018	Year Ended March 31, 2017
Remuneration	Mr. Madhukar Talwalkar	KMP and their relatives	1.30	1.30
	Mr. Prashant Talwalkar	KMP and their relatives	4.20	4.20
	Mr. Girish Talwalkar	KMP and their relatives	4.20	4.20
Management Consultancy Fees	Aspire Fitness Private Limited	Subsidiaries	2.06	-
Dividend on Investment	Power World Gym (Sri Lanka)	Associates	3.19	-
Interest Income on unsecured Loan	Jyotsna Fitness Pvt.Ltd	Joint Venture	-	0.69
	Aspire Fitness Private Limited	Subsidiaries	-	0.14
Payment of Purchase consideration	Inshape Health & Fitnez Pvt Ltd	Associates	7.20	7.20
Franchise Income	Denovo Enterprises Pvt Ltd	Joint Venture	0.45	1.37
	Jyotsna Fitness Pvt.Ltd	Joint Venture	0.40	1.97
Rent Paid	Mr. Prashant Talwalkar	KMP	2.71	2.64
	Better Value Properties Pvt. Ltd.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	7.97	8.41
	Life Fitness India Pvt. Ltd.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	4.30	4.76
	Talwalkars Fitness Club	Enterprises over which Key Management Personnel & their relatives exercise significant influence	-	3.89
Better Value Leasing & Finance Ltd	Office expenses/Rent/ electricity etc.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	80.37	68.65
Asset Purchase	R2spa	Enterprises over which Key Management Personnel & their relatives exercise significant influence	1.86	0.49
Service Charges	R2spa	Enterprises over which Key Management Personnel & their relatives exercise significant influence	1.24	1.38
Reimbursement of expenses	Power World Gym (Sri Lanka)	Associates	-	0.07

D Summary of related party transactions during the year

(₹ in million)

Particulars	Subsidiaries		Associate		Joint venture		Enterprises over which Key Management Personnel & their relatives exercise significant influence		KMP and their relatives	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Loans and Advances given	-	25.17	1932	-	-	72.97	0.60	0.75		
Repayment of Loans and Advances given	28.66	-	-		62.89	-	-			
Investment in share application money	-	200.00	50.00	-	-	-	100.00	-		
Investment in shares	78.78	-	0.10							
Purchase consideration	-	7.20	7.20	-						
Remuneration									9.70	9.70
Management Consultancy Fees	2.06	-								
Dividend on Investment			3.19	-						
Reimbursement of expenses			-	0.07	-					
Interest Income on unsecured Loan	-	0.14				0.69				
Franchise fee Income					0.85	3.34				
Asset purchase							1.86	0.49		
service charges							1.24	1.38		
Rent for Premises							12.27	17.06	2.71	2.64
Office expenses/Rent/electricity etc							80.37	68.65		

36. Contingent liabilities and commitments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Claim from a landlord, case pending before the judiciary-Hyderabad	29.49	29.49	29.49
b. Cases pending before consumer courts	1.77	1.10	0.20
c. Corporate guarantee given	10.10	31.26	41.68
	41.36	61.85	71.37

- a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for were ₹ 5.09 Million during current year. (Previous year ₹ 4.55 million)
- b) In accordance with the scheme of demerger, company has bifurcated its assets and liabilities between the demerged and resultant companies. Company has assured its lenders that necessary documents and guarantees have been issued to ensure security creation for facilities granted to them, its subsidiaries and associates.

37. Segment Reporting

a) Primary (Business) Segment

- (i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Finance Officer of the Company. The Company operates only in one business Segment i.e. "Gym Business", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

As the Company's business consists of one reportable business segment and hence, no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities and Capital employed are given.

- (ii) The company does not have revenue from external customer outside India and assets located outside India, hence not disclosed separately.
- (iii) Further, the Company does not have revenue more than 10% of total revenue from single external customer.

Geographical Information

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.

38. Financial instruments – Fair values and risk management

A. Accounting classification

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	FVTOCI	Fair value through profit & loss	Amortised Cost		FVTOCI	Fair value through profit & loss	Amortised Cost		FVTOCI	Fair value through profit & loss	Amortised Cost	
Financial Assets												
Investments in Equity Instruments	-	467.28	-		-	467.28	-		-	467.28	-	
Investment In other companies	-	150.00	-		-	-	-		-	-	-	
Investment in mutual fund	-	74.85	-		-	0.32	-		-	0.29	-	
Other financial assets	-	-	1,593.97		-	-	1,535.87		-	-	715.14	
Trade receivables	-	-	140.50		-	-	1.25		-	-	247.16	
Cash and cash equivalents	-	-	420.47		-	-	334.99		-	-	530.99	
Other Bank Balance	-	-	-		-	-	4.38		-	-	5.75	
Loans- current	-	-	398.65		-	-	264.33		-	-	92.66	
Total	-	692.13	2,553.59		-	467.60	2,140.82		-	467.58	1,591.69	
Financial Liabilities												
Borrowings	-	-	3,711.12		-	-	3,077.92		-	-	1,922.86	
Trade Payables	-	-	75.16		-	-	107.14		-	-	99.21	
Other financial liabilities	-	-	6.37		-	-	13.64		-	-	20.90	
Total	-	-	3,792.66		-	-	3,198.69		-	-	2,042.97	

B. Fair Value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets												
Investments in Equity Instruments	-	-	467.28		-	-	467.28		-	-	467.28	
Investment in mutual fund	74.85	-	-		0.32	-	-		0.29	-	-	
Investment In other companies	-	-	150.00		-	-	-		-	-	-	
Financial Liabilities												
Borrowings	-	3,711.12	-		-	3,077.92	-		-	1,922.86	-	

The management assessed that carrying amount of cash and cash equivalents, trade receivables, loans, trade payable and other financial liabilities approximate their fair values largely due to the short-term maturities of these instruments.

C Financial Risk Management

i. Risk management framework

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of ₹ 420.47 million at March 31, 2018 (March 31, 2017: ₹ 339.37 million, April 1, 2016 : ₹ 536.74 million). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

iii. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

a Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

b Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Term Loan From Bank	2,121.24	1,815.26	1,125.03
Total of Variable Rate Financial Liabilities	2,121.24	1,815.26	1,125.03

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

(₹ in million)

Cash flow sensitivity (net)	Profit or loss	
	50 bp increase	50 bp decrease
March 31, 2018		
Variable-rate loan instruments	(10.61)	10.61
Cash flow sensitivity (net)	(10.61)	10.61
March 31, 2017		
Variable-rate loan instruments	(9.08)	9.08
Cash flow sensitivity (net)	(9.08)	9.08

c Other price risk

The Company invests its surplus funds in various Equity and Debt instruments. These comprise of mainly liquid schemes of mutual funds (liquid investments), Equity shares and fixed deposits. This investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

iv. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Maturity Analysis of Significant Financial Liabilities

(₹ in million)

March 31, 2018	Total	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Debentures	1,589.87	677.90	911.96	-
- Term Loans	2,121.24	31.30	1,850.61	239.33
Trade and other payables	714.09	714.09	-	-
Other financial liabilities	6.37	4.69	1.68	-

March 31, 2017	Total	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Debentures	1,261.45	316.95	944.50	-
- Term Loans	1815.26	-	1,399.47	415.80
- Finance Lease obligations	1.20	1.20	-	-
Trade and other payables	318.30	318.30	-	-
Other financial liabilities	13.64	7.35	6.29	-

April 1, 2016	Total	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Debentures	791.78	45.66	746.13	-
- Term Loans	1,125.03	142.94	982.09	-
Finance lease obligations	6.05	4.80	1.25	-
Trade and other payables	193.55	193.55	-	-
Other financial liabilities	20.90	7.35	13.55	-

39. Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's adjusted net debt to equity ratio is as follows:

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Total liabilities	3,711.12	3,077.92	1,922.86
Less : Cash and cash equivalent	163.62	223.26	77.59
Adjusted net debt	3,547.50	2,854.65	1,845.27
Total equity	4,507.02	3,474.07	3,002.84
Adjusted equity	4,507.02	3,474.07	3,002.84
Adjusted net debt to adjusted equity ratio	0.79	0.82	0.61

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and Current maturities of long term borrowings.

40. Other Notes

Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants

Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor

Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar

Chairman

G. M. Talwalkar

Director

Gayatri Prasad

Company Secretary & compliance officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TALWALKARS LIFESTYLES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Talwalkars Lifestyles Limited** ("hereinafter referred to as "the Holding Company") and its Subsidiaries, Associate/ Joint Venture companies (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including the consolidated Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018 and its consolidated Profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/ financial information of 3 subsidiaries whose consolidated Ind AS financial statements/ financial information reflect the total Assets of ₹ 225.78 million as at the year ended March 31, 2018 as well as the total revenue of ₹ 114.21 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. This Ind AS financial statements/ financial information have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - ((a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the statement of other Comprehensive Income and the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose

of preparation of the consolidated Ind AS Financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Lakdawala & Associates,
(ICAI Regn. No.105518W)

K.P.Lakdawala

Proprietor

Membership No.035633

Date: May 18, 2018

Place: Mumbai

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Talwalkars Lifestyles Limited** ("the Holding Company") and subsidiary companies as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies have maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

issued by the Institute of Chartered Accountants of India and the company's internal financial controls over the financial reporting were operating effectively as of March 31, 2018..

For Lakdawala & Associates,
(ICAI Regn. No.105518W)

K.P.Lakdawala

Proprietor

Membership No.035633

Date: May 18, 2018

Place: Mumbai

Consolidated Balance Sheet as at March 31, 2018

				(₹ in million)
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
I) Non- Current Assets				
(a) Property, Plant and Equipment	3	3,429.31	2,855.66	2,284.86
(b) Capital work in progress		542.30	313.20	599.49
(c) Goodwill	4	78.27	79.77	58.10
(d) Other intangible assets	4	90.12	90.12	-
(e) Financial Assets				
(i) Investments	5	967.31	579.62	153.68
(ii) Other financial assets	6	1,441.93	1,329.09	654.67
(f) Other non-current Assets	7	207.87	274.73	245.10
		6,757.11	5,522.19	3,995.90
II) Current Assets				
(a) Inventories	8	132.57	-	-
(b) Financial Assets				
(i) Investments	9	74.85	0.32	0.29
(ii) Loans	10	398.05	373.65	90.13
(iii) Trade receivables	11	138.78	22.42	245.97
(iv) Cash and cash equivalents	12	447.58	422.84	533.89
(v) Bank balances other than (iv) above	13	-	4.38	5.75
(vi) Other financial assets	14	163.62	218.88	71.84
(c) Other current Assets	15	273.25	146.09	180.59
		1,628.70	1,188.58	1,128.46
Total Assets (i+ii)		8,385.81	6,710.77	5,124.36
EQUITY AND LIABILITIES				
I) Equity				
(i) Equity share capital	16	310.05	297.05	297.05
(ii) Other equity	17	4,032.11	3,005.81	2,488.18
Equity attributable to owners of the company		4,342.16	3,302.86	2,785.23
Non controlling interest		24.72	36.36	25.22
Total Equity		4,366.88	3,339.22	2,810.45
II) Liabilities				
(i) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	3,006.46	2,798.94	1,767.03
(ii) Other financial liabilities	19	1.55	13.16	1.13
(b) Deferred tax liabilities (net)	26	122.77	50.97	52.27
(c) Other non-current liabilities	20	0.52	0.63	0.74
		3,131.30	2,863.70	1,821.17
(ii) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	5.04	5.61	9.34
(ii) Trade payables	22	94.68	102.73	99.52
(iii) Other financial liabilities	23	720.74	322.83	204.63
(b) Liabilities for current tax (net)	26	45.47	61.71	67.46
(c) Other current liabilities	24	21.65	4.94	101.76
(d) Provisions	25	0.05	10.03	10.03
		887.63	507.85	492.74
Total Liabilities (i+ii)		4,018.93	3,371.55	2,313.91
Total Equity and Liabilities (I+II)		8,385.81	6,710.77	5,124.36
Summary of significant accounting policies	1			
See accompanying notes forming part of the financial statements	(2-42)			

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants
Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor
Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar
Chairman

G. M. Talwalkar
Director

Gayatri Prasad

Company Secretary & Compliance Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in million)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
1. Revenue			
(a) Revenue from Operations	27	2,470.85	2,252.66
(b) Other Income	28	120.84	19.32
Total Revenue		2,591.69	2,271.98
2. Expenses			
(a) Employee benefit expense	29	356.11	335.10
(b) Finance costs	30	166.82	113.67
(c) Depreciation and amortization expense	31	302.52	302.29
(d) Other expenses	32	722.54	655.23
Total Expenses		1,547.99	1,406.29
3. Profit before exceptional and extraordinary items and tax (1-2)		1,043.70	865.69
4. Exceptional Items	33	0.81	(3.92)
5. Profit before tax (3 + 4)		1,044.51	861.77
6. Tax expense:	26		
(a) Current tax		284.97	300.44
(b) Deferred tax		71.50	(1.34)
(c) Tax expenses relating to prior years		-	6.71
7. Profit after tax and before share of associate /joint venture (5 - 6)		688.04	555.96
8. Share of Profit of Associate/joint venture (net of tax)		13.38	28.85
9. Profit for the year (7+8)		701.42	584.81
10. Other Comprehensive Income			
OCI that will be reclassified to P/L in subsequent year			
Exchange difference arising on translation of foreign operations		0.46	-
Other Comprehensive Income / (expenses) for the year		0.46	-
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year) (9+10)		701.88	584.81
Profit for the year attributable to			
- Owners of the company		692.67	573.70
- Non controlling interest		8.74	11.11
Other Comprehensive Income for the year attributable to			
- Owners of the company		0.46	-
- Non controlling interest		-	-
Total Comprehensive Income for the year attributable to			
- Owners of the company		693.14	573.70
- Non controlling interest		8.74	11.11
11. Earning per equity share (of ₹10 each) :			
(a) Basic	34	22.34	18.50
(b) Diluted		22.34	18.50
Summary of significant accounting policies	1		
See accompanying notes forming part of the financial statements	(2-42)		

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants

Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor

Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar

Chairman

G. M. Talwalkar

Director

Gayatri Prasad

Company Secretary & Compliance Officer

Statement of Changes in Equity for the year ended March 31, 2018

A) EQUITY SHARE CAPITAL

(₹ in million)

Particulars	Amount
Balance as at April 1, 2016	-
Changes in equity share capital during the year	-
Balance as at March 31, 2017	-
Changes in equity share capital during the year	310.05
Balance as at March 31, 2018	310.05

B) OTHER EQUITY

(₹ in million)

Particulars	General Reserve	Debenture Redemption Reserve	Securities Premium Reserve	Retained Earnings	Total
Balance as at April 1, 2016	83.52	121.73	828.65	1,454.28	2,488.18
Total comprehensive income for the year	-	-	-	573.70	573.70
Transferred during the year	30.85	105.81	-	-	136.66
Transfer From Debenture Redemption Reserve on redemption	107.90	-	-	-	107.90
Changes in Depreciation Policy	-	-	-	1.37	1.37
Transfer to Debenture Redemption Reserve	-	-	-	(105.81)	(105.81)
Transfer to General Reserve	-	(107.90)	-	(30.85)	(138.75)
Re-statement of Subsidiary Financials	-	-	-	(3.81)	(3.81)
Final Dividend & DDT on Equity Shares	-	-	-	(53.63)	(53.63)
Balance as at March 31, 2017	222.27	119.64	828.65	1,835.25	3,005.81
Profit for the year	-	-	-	692.67	692.67
Other comprehensive income for the year	-	-	-	0.46	0.46
Transferred during the year	-	198.10	-	-	198.10
Receipt during the year	-	-	400.83	-	400.83
utilized for preferential allotment	-	-	(13.00)	-	(13.00)
share issue expenses	-	-	(1.01)	-	(1.01)
Transfer to Debenture Redemption Reserve	-	-	-	(198.10)	(198.10)
Final Dividend & DDT	-	-	-	(53.63)	(53.63)
Re-statement of Subsidiary Financials	-	-	-	(0.02)	(0.02)
Balance as at March 31, 2018	222.27	317.74	1,215.47	2,276.63	4,032.11

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants

Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor

Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar

Chairman

Gayatri Prasad

Company Secretary & Compliance Officer

G. M. Talwalkar

Director

Consolidated Cash Flow Statement for the year ended March 31, 2018

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before share of profit of associate / joint venture and tax	1,044.51	861.77
Adjustments for :		
Depreciation and Amortisation	302.52	302.29
Finance cost (Net)	166.82	113.67
Interest Income (including fair value change in financial instruments)	(18.80)	(18.54)
Dividend Income	(0.76)	-
Profit on sale of investments (net)	-	-
Gain on financial assets measured at fair value through Profit and Loss account	(100.08)	(0.02)
Gain/Loss on foreign exchange fluctuation (Net)	1.14	(0.01)
(Profit)/Loss on sale of assets	(0.81)	3.92
Exchange difference arising on translation of foreign operations	0.46	
Operating Profit before Working capital changes	1,395.00	1,263.08
Adjustments for Working Capital Changes :		
(Increase)/Decrease in Trade Receivables	(116.35)	223.55
(Increase)/Decrease in Other Current Assets	(114.47)	26.44
(Increase)/Decrease other loan and advances	(68.52)	(260.21)
(Increase)/Decrease financial assets	112.51	(569.74)
(Increase)/Decrease in Inventories	(132.57)	-
Increase/(Decrease) in Trade payables	(9.19)	3.20
Increase/(Decrease) in Financial liabilities	0.40	0.10
Increase/(Decrease) in other payables	16.61	(96.93)
Increase/(Decrease) in Provisions	(9.98)	-
Cash generated from operations	1,073.44	589.49
Net Income Tax (Paid) / Refund	(300.90)	(312.87)
Net cash (used in)/ from operating activities	772.54	276.62
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Expenditure on Property ,Plant & Equipments including Capital Advances	(1,064.66)	(742.59)
Proceeds from sale of fixed assets	15.84	16.10
Income from Investment activity	1.65	1.04
(Increase)/Decrease loan and advances to associate & related parties	44.11	(23.31)
Payable to subsidiary	(7.20)	11.94
(Increase)/Decrease in investment in Associate & joint venture	(14.30)	2.91
Share application money given	(610.00)	(400.00)
Share application money refund/(paid)	350.00	-
Dividend income	0.84	
Net (investment in)/ Proceeds from bank deposits	(148.57)	(232.82)
Net cash (used in)/from Investing activities	(1,432.29)	(1,366.73)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	399.82	-
Redemption of Non Convertible Debentures	-	447.70
Issue proceeds from Non Convertible Debentures	298.42	-
Proceeds from Borrowings	291.94	680.61
Transaction with NCI	(20.38)	0.03
Repayment of Long term and other borrowings	(30.98)	0.51
Finance cost paid (net)	(127.79)	(93.84)
Dividend Paid (Including dividend distribution tax)	(53.63)	(53.63)
Net cash (used in)/from Financing Activities	757.40	981.38
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	97.65	(108.73)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	419.74	528.47
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	517.39	419.74

Components of cash and cash equivalent considered only for the purpose of cash flow statements:-

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalent comprises of:		
Cash on hand	15.92	13.60
Balances with Banks:		
- Current Accounts	431.66	357.19
Cheques, drafts on hand	-	36.75
Fixed deposits with banks, having original maturity of three months or less	-	15.30
Cash and cash equivalents	447.58	422.84
Investment in Liquid mutual funds - Quoted	74.85	0.32
Less: Loan repayable on demand - Cash Credit /Overdraft Accounts	5.04	3.42
Cash and cash equivalents in Cash Flow Statement	517.39	419.74

Notes:

- a) The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

b) Amendment to Ind AS 7

The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities, to meet the disclosure requirement. This amendment has become effective from April 01, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendments..

March 31, 2018	Opening balance	Cash flows	Non cash changes Fair value changes	Current/(non current) Classification	Closing balance
Long term unsecured borrowings	27.60	(27.60)			-
Long term secured borrowings	2,771.35	624.52	3.68	(393.09)	3,006.46
Short term unsecured borrowings	5.61	(0.57)			5.04
Total liabilities from financing activities	2,804.55	596.35	3.68	(393.09)	3,011.50

March 31, 2017	Opening balance	Cash flows	Non cash changes Fair value changes	Current/(non current) Classification	Closing balance
Long term unsecured borrowings	20.79	6.80	-	-	27.60
Long term secured borrowings	1,746.23	1,160.21	(16.89)	(118.21)	2,771.34
Short term unsecured borrowings	9.34	(3.73)	-	-	5.61
Total liabilities from financing activities	1,776.36	1,163.28	(16.89)	(118.21)	2,804.55

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants
Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor
Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar
Chairman

Gayatri Prasad

Company Secretary & Compliance Officer

G. M. Talwalkar
Director

Notes forming part of consolidated financial statements for the year ended March 31, 2018

Company Overview:

Talwalkars Lifestyle Limited (the 'Company') a public limited company is incorporated in India under provisions of the Companies Act applicable in India. The consolidated financial statement comprises financial statements of the Company together with its subsidiaries, associates and joint ventures (collectively referred to as the 'Group') for the year ended March 31, 2018. The Group is engaged primarily in the business of gyms, spas, aerobics, health counseling, yoga, steam and sauna bath, Jacuzzi, physiotherapy service and to buy, sell, manufacture, trade, brand, patent, import, export or otherwise deal in juices and concoctions, health food, health drink, organic food, clothing items, fitness equipments and product and consultancy and franchise services.

1. Statement of Significant Accounting Policies and Key Accounting and Judgements :

1.1. Basis of preparation of financial statements

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended; and the other relevant provisions of the Act and Rules thereunder.

The consolidated financial statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendments Rules, 2014, which was the "Previous GAAP".

The amounts in the accompanying financial statements have been stated in million of Indian rupees and rounded off to two decimals.

1.2. Basis of consolidation

The consolidated financial statements comprise of financial statements of the Company and its subsidiaries for which the Company fulfils the criteria pursuant to Ind AS 110.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists if and only if all of the following conditions are satisfied –

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) Exposure, or rights to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect the amount of the investors' returns

Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the subsidiaries are consolidated on a line-by-line basis and intra-Group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Details of subsidiaries considered in the CFS are as under:

Name of the Company	Country of Incorporation	% ownership interest as at March 31, 2018
Aspire Fitness Private Limited	India	50.001
Talwalkars Better Value Fitness Singapore (Pte) Limited	Singapore	100.00
PWG Fitness (PVT)Limited (Srilanka)	Srilanka	100.00*

* Talwalkars Better Value Fitness Singapore (Pte) Limited holding 100% shares in PWG Fitness (PVT)Limited (Srilanka).

Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate and joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate and joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate/joint venture are eliminated to the extent of the interest in the associate.

The financial statements of associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate and joint venture. At each reporting date, the Group determines whether there is an objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as Share of loss of an associate in the consolidated statement of profit and loss.

Details of associate considered in the consolidated financial statements as at March 31, 2018 are as follows:

Name of the Company	Country of Incorporation	% ownership interest as at March 31, 2018
Inshape Health & Fitnez Private Limited	India	51.00
Power World Gyms Limited	Srilanka	49.50
PWG Fitness Private Limited	India	50.002

Details of joint ventures considered in the consolidated financial statements as at March 31, 2018 are as follows:

Name of the Company	Country of Incorporation	% ownership interest as at March 31, 2018
Denovo Enterprise Private Limited	India	50.10
Jyotsna Fitness Private Limited	India	50.02
Equinox Wellness Private Limited	India	33.33*

*Effective ownership due to 66.67% holding of Denovo Enterprise Private Limited in Equinox Wellness private Limited

1.3 Property, Plant and Equipment (PPE)

Under the Previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to Ind AS, all items of property, plant and equipments have been measured at fair value and same has been considered as deemed cost as at April 01, 2016 (date of transition).

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use). 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 property, plant and equipments and capitalized.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

An item of property, plant and equipment and any significant part initially recognized separately as part of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

Depreciation on property, plant and equipment is provided from the date the assets are put to use on straight-line method using the useful lives of the assets estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows

Assets	Useful life (in years)
Building	60 years
Lease Hold Improvements and Furniture & Fittings	10 years
Electrical Installations	10 years
Office Equipment	5 years
Computers	6 years
Gym Equipments	15 years

The Group has elected the option of fair value as deemed cost for all items of property, plant & equipment as on the date of transition to Ind AS.

Capital work in progress is stated at cost less impairment losses, if any. Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure incurred during construction period is included under capital work in progress & the same is allocated to the respective PPE on the completion of its construction.

1.4 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. Accordingly amounts amortized under previous GAAP have been reversed on the date of transition to Ind AS. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is accounted for as a change in an accounting estimate in accordance with Ind AS 8.

1.5 Financial Instruments

1.5.1 Financial Assets

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

i). Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

ii). Debt instruments at Fair value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in the Statement of Profit and Loss. Other net gains and losses are recognized in Other Comprehensive Income.

iii). Debt instruments at Fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

iv). Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a) The Group has transferred substantially all the risks and rewards of the asset, or
- b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Accumulated gains or losses on equity instruments measured at FVTOCI are never reclassified to the Statement of Profit and Loss.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- i). Trade Receivables,
- ii). Financial asset measured at amortised cost and
- iii). Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Group operates or any other appropriate basis.

The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

1.5.2. Financial Liabilities

Initial recognition and measurement

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Intercompany loans not repayable on demand are discounted to its present value using incremental borrowing rate applicable to the borrower entity. The difference between the carrying value of the loan and its present value is accounted based on the relationship with the borrower for e.g. in case of subsidiary, the difference is shown as further equity infusion in the subsidiary. The unwinding of discount from the date of loan to the transition date is shown as an income and recognised in "Retained Earnings" of the Lender.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.6. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.7. Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.8. Employee Benefits

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

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

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

1.9. Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in Cash Flow Statement.

1.10. Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.11. Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.12. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

1.12.1 Revenue 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.

1.12.2 Revenue from sale of goods is recognized when all significant contractual obligation have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer and no effective ownership is retained.

1.12.3 Lease income is recognised in the Statement of Profit and Loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rentals is disclosed net of indirect taxes, if any.

1.12.4 Finance income is recognised as it accrues using the Effective Interest Rate (EIR) method.

1.12.5 Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

1.13. Taxes on Income

1.13.1. Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.13.2 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset and liability are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period

1.14. Inventories

Inventories of stock-in-trade are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

1.15. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless;

- (1) another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset;
- or
- (2) the payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.16. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit/(loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the profit/(loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.17. Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.18. Foreign Currency Transactions

Functional and Presentation Currency

The Financial Statements are presented in Indian rupees which is the functional currency for the Group. All amounts have been rounded off to the nearest million, unless otherwise indicated.

Monetary items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term monetary items taken prior to April 1, 2016) are recognised as:-

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

The Group has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as on 31st March, 2016 ie. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the asset or liability.

Non – Monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Translation of Financial Statements of Foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated Statement of Profit and Loss.

1.19. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, the ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards) Amendment Rules 2018 containing Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in foreign currency.

The amendment will come into force from April 1, 2018. The company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contract with customers.

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

1.20 Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date on fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognised in the Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date on fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, operating or accounting policies and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

1.21. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

a. Operating lease commitments — Company as lessee

The Group has taken various commercial properties on leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in tax jurisdictions.

Estimates and assumptions

a. Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

b. Impairment of assets

In assessing impairment, management estimates the recoverable amounts of each asset or CGU (in case of non-financial assets) based on expected future cash flows and uses an estimated interest rate to discount them. Estimation relates to assumptions about future cash flows and the determination of a suitable discount rate.

c. Useful lives of depreciable / amortisable assets (Property, plant and equipments and intangible assets)

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected usage of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the usage of certain assets.

d. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

e. Defined benefit obligation (DBO)

The cost of defined benefit gratuity plan and the present value of the gratuity obligation along with leave salary are determined using actuarial valuations. An actuarial valuation involves making various assumptions such as standard rates of inflation, mortality, discount rate, attrition rates and anticipation of future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f. Deferred Tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the assets considered realizable, however, could be reduced in the near term if estimates of future taxable benefits of those deductible differences are reduced.

g. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument / assets. Management bases its assumptions on observable data as far as possible but this may not always be available. In that case, the management uses the best relevant information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Note 2 : Disclosures as required by Indian Accounting Standard (Ind AS) 101 First time Adoption of Indian Accounting Standard

These are the Group's first financial statements prepared in accordance with Ind AS. The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2014 which was the "Previous GAAP".

The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the consolidated financial statements for the year ended March 31, 2018, March 31, 2017 and the opening Ind AS Balance sheet on the date of transition i.e. April 1, 2016..

In preparing its Ind AS Balance Sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the group has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the group in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

I) Explanation of transition to Ind AS

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A. Optional Exemptions availed

Fair valuation of Property, Plant and Equipment and Intangible assets :

The Group has elected the option of fair value as deemed cost for property, plant & equipment on the date of transition to Ind AS instead of carrying value under previous Indian GAAP as on April 1, 2016.

Investment in Subsidiaries, Joint Ventures and associates:

The Group has elected either the Indian GAAP carrying amount or fair value at the date of transition as deemed cost for its investment in each subsidiary, joint venture or associate.

Business combinations:

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group has availed the said exemption and elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

B. Applicable Mandatory Exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVTPL or FVTOCI;
- Investment in debt instruments carried at FVTPL; and
- Impairment of financial assets based on expected credit loss model.

Derecognition of Financial Assets and Liabilities

Financial Assets and Liabilities derecognized before April 1, 2016 are not re-recognized under Ind AS. The company has not chosen to apply the Ind AS 109 Financial Instruments derocognizing criteria to an earlier date. No significant arrangements were identified that has to be assessed under this exception.

Impairment of Financial Asset

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. The Group has applied this exception prospectively.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C. Transition to IND AS-Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS as required under Ind AS 101:-

- I) Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)
- II) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017
- III) Reconciliation of Equity as on March 31, 2017 & April 1, 2016
- IV) On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended March 31, 2016.
- V) Notes to Reconciliation

The presentation requirements under Previous GAAP differs from Ind AS. Hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

Note 2: Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian accounting standard

I) Reconciliation of Balance Sheet as at April 1, 2016

(₹ in million)

Particulars	Reference Note No.	As at March 31,2017 (Regrouped GAAP)	IND AS Adjustments	As at March 31,2017 (IND AS)	As at April 1, 2016 (Regrouped GAAP)	IND AS Adjustments	As at April 1,2016 (IND AS)
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	A	3,294.62	(438.96)	2,855.66	2,747.99	(463.13)	2,284.86
(b) Capital Work in Progress	B,C(i)	462.15	(148.95)	313.20	720.77	(121.28)	599.49
(c) Goodwill	A	51.07	28.70	79.77	32.19	25.91	58.10
(d) Intangible assets under development	A	88.00	2.12	90.12	-	-	-
(e) Financial Assets							
(i) Investments	B, C (ii)	462.93	116.69	579.62	48.58	105.10	153.68
(ii) Loans	B	15.45	(15.45)	-	15.95	(15.95)	-
(ii) Other Financial Assets	C(iii)	1,491.95	(162.86)	1,329.09	770.68	(116.01)	654.67
(f) Other Non Current Assets	C(iii)	195.64	79.08	274.73	171.70	73.40	245.10
Total Non - Current Assets		6,061.81	(539.63)	5,522.19	4,507.86	(511.96)	3,995.90
Current assets							
(a) Financial Assets							
(i) Investments	C(iv)	0.22	0.10	0.32	0.22	0.07	0.29
(ii) Loans	C(v)	264.42	109.23	373.65	80.98	9.15	90.13
(iii) Trade receivables	C (v)	110.30	(87.88)	22.42	276.78	(30.81)	245.97
(iv) Cash and Cash Equivalents	B	512.89	(90.05)	422.84	604.14	(70.24)	533.89
(v) Bank Balances other than Cash and Cash Equivalents		4.38	-	4.38	5.75	-	5.75
(vi) Other Financial Assets		218.88	-	218.88	71.84	-	71.84
(b) Other Current Assets	C(iii)	150.15	(4.06)	146.09	184.42	(3.83)	180.59
Total Current Assets		1,261.24	(72.66)	1,188.58	1,224.13	(95.66)	1,128.46
TOTAL ASSETS		7,323.05	(612.29)	6,710.77	5,731.99	(607.62)	5,124.36
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		297.05	-	297.05	297.05	-	297.05
(b) Other Equity		3,197.12	(191.31)	3,005.81	2,608.71	(120.53)	2,488.18
Equity attributable to owners of the company		3,494.17	(191.31)	3,302.86	2,905.76	(120.53)	2,785.23
Non controlling interest		165.64	(129.28)	36.36	139.00	(113.78)	25.22
Total Equity		3,659.81	(320.59)	3,339.22	3,044.76	(234.31)	2,810.45
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	C (i)	2,863.94	(65.00)	2,798.94	1,843.73	(76.71)	1,767.03
(ii) Other financial liabilities	C (ii)	13.94	(0.78)	13.16	2.00	(0.87)	1.13
(b) Deferred tax liabilities (Net)	E	166.77	(115.80)	50.97	158.51	(106.24)	52.27
(c) Other non-current liabilities	C (iii)	-	0.63	0.63	-	0.74	0.74
Total Non - Current Liabilities		3,044.65	(180.95)	2,863.70	2,004.24	(183.08)	1,821.17
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	C (i)	13.91	(8.29)	5.61	9.34	-	9.34
(ii) Trade payables	B	111.06	(8.33)	102.73	105.13	(5.61)	99.52
(iii) Other financial liabilities	B,C(i)	341.53	(18.70)	322.83	205.69	(1.05)	204.63
(b) Current tax liabilities (Net)	B	102.60	(40.89)	61.71	95.15	(27.69)	67.46
(c) Other current liabilities	B	39.46	(34.53)	4.94	204.02	(102.26)	101.76
(d) Provisions		10.03	-	10.03	63.66	(53.63)	10.03
Total Current Liabilities		618.59	(110.74)	507.85	682.99	(190.24)	492.74
TOTAL EQUITY AND LIABILITIES		7,323.05	(612.28)	6,710.77	5,731.99	(607.63)	5,124.36

II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

(₹ in million)				
Particulars	Note	Year ended March 31, 2017 (Regrouped GAAP)	IND AS Adjustments	Year ended March 31, 2017 (IND AS)
1. Revenue				
(a) Revenue from Operations	B	2,369.40	(116.74)	2,252.66
(b) Other Income	C(ii),C(iii),C(iv)	1.83	17.50	19.32
Total Revenue		2,371.23	(99.24)	2,271.98
2. Expenses				
(a) Employee benefit expense	B	345.19	(10.09)	335.10
(b) Finance Costs	C(i)	120.00	(6.33)	113.67
(c) Depreciation and amortization expense	A	343.16	(40.87)	302.29
(d) Other expenses	C(iii) & C(v)	625.44	29.79	655.23
Total expenses		1,433.79	(27.50)	1,406.29
3. Profit before exceptional and items and extraordinary items and tax (1-2)		937.44	(71.74)	865.69
4. Exceptional Items		(3.92)	-	(3.92)
5. Profit before tax (3 + 4)		933.52	(71.74)	861.77
6. Tax expense:				
(a) Current tax	B	314.34	(13.90)	300.44
(b) Deferred tax	E	8.92	(10.26)	(1.34)
(c) Tax expenses relating to prior years		6.71	-	6.71
7. Profit after tax and before share of associate/ joint venture (5 - 6)		603.55	(47.58)	555.96
8. Share of Profit of Associate/joint venture (net of tax)	B	13.72	15.13	28.85
9. Profit for the year (7+8)		617.27	(32.45)	584.81
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		617.27	(32.45)	584.81
Total Comprehensive Income for the year attributable to				
- Owners of the company		590.64	(16.93)	573.70
- Non controlling interest		26.63	(15.52)	11.11

III) Reconciliation of Equity as on March 31, 2017 & April 1, 2016

(₹ in million)			
Particulars	Note No.	As at March 31, 2017	As at April 1, 2016
Total Equity (Shareholder's funds) as per Previous GAAP		-	-
Add/(Less)			
On account scheme of demerger		3,494.17	2905.76
Recalculation of transaction cost for borrowing as per effective interest rate	C(i)	(0.40)	4.80
Financial liability measured at amortised cost(security deposit received)	C(iii)	0.05	0.03
Financial assets measured at amortised cost(security deposit Given)	C(iii)	(11.47)	(10.63)
Expected credit loss on Loans to subsidiaries & trade receivables	C(v)	(124.58)	(82.44)
Fair valuation of investment	C(iv)	0.10	0.07
Reversal of Amortisation on Trademarks/Copyrights/goodwill	A	29.32	24.41
Fair valuation as deemed cost for PPE	A	(196.56)	(214.28)
Deferred Tax impact	E	112.98	102.72
Net effect of equity accounting due to joint venture & associate	B	(0.75)	1.16
Reversal of Proposed Dividend including Dividend Distribution Tax	F	-	53.63
Total Impact		3,302.86	2785.23
Total Equity as per Ind AS		3,302.86	2785.23

IV) Notes to reconciliation of Balance Sheet as at April 1, 2016 and March 31, 2017 and the total comprehensive income for the year ended March 31, 2017

Note A : Property, Plant and Equipment

- (i) The Group has elected the option of fair value as deemed cost for property, plant & equipment and other intangible assets on the date of transition to Ind AS. Accordingly, depreciation on such revalued items has been calculated on deemed cost with corresponding increase in deferred tax liability.
- (ii) Goodwill:- Under the previous GAAP, the goodwill was amortized @ 4.75% p.a. using the straight line method. Under Ind AS, the useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful life are not amortised, accordingly amounts amortized under previous GAAP have been reversed on the date of transition to Ind AS.

Note B : Joint venture

The Company holds as on March 31, 2017 50.10% (April 1, 2016: 50.10% interest in Denovo Enterprise Pvt Ltd, in Equinox Wellness Pvt Ltd 66.67% (April 1, 2016: 66.67%), in Jyotsna Fitness Private Limited 50.02% (April 1, 2016: 50.02%). Under previous Indian GAAP, the Group had proportionately consolidated its interest in the said entities in the consolidated financial statement. On transition to Ind AS, the Company has assessed and determined that the said entities are its Joint Ventures (JV's) under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the Company had previously proportionately consolidated including any goodwill arising on acquisition. Derecognition of proportionately consolidated JVs has resulted in change in balance sheet, statement of profit and loss and cash flow statement.

Note C : Amortised cost of financial assets and financial liabilities

(i) Borrowings:-

Under the previous GAAP, transaction costs incurred in connection with borrowings are amortized upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

(ii) Corporate Gaurantee:-

As per Ind AS 109, financial guarantees given by the Company for its subsidiaries and other group companines are initially recognised as a liability and investment in equity at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

(iii) Security Deposits:-

Under the previous Indian GAAP, the interest free security deposits both received and paid were carried at nominal amount. Under Ind AS, Lease / Security deposits received and paid, are measured at fair value on initial recognition. Unwinding of discount is treated as interest expense / income and is accrued as per the EIR method. The difference between the fair value and the nominal value of deposits is considered as rent in advance / prepaid rent and recognised over the lease term on a straight line basis.

(iv) Investment in Mutual fund:-

Under Ind AS, investments in Mutual Fund is carried at fair value through Profit and Loss as compared to being carried at cost under previous GAAP. The adjustment represents the difference in the fair value and the cost of investments in Mutual Funds.

(v) Expected Credit Loss:-

Under Indian GAAP, the Company has created provision for impairment of receivables, loans which consists only in respect of specific amount for probable losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model.

Note D : Investment in Subsidiaries, Joint Ventures and Associates

The Company has availed the option to value investment in subsidiaries, associates and joint ventures at deemed cost. The deemed cost for this purpose can be either its fair value at the entity's date of transition to Ind AS in its separate financial statements or previous GAAP carrying amount at the transition date. The Company has decided to use fair value as deemed cost for certain investments and for balance investments previous GAAP carrying amount is used.

Note E : Deferred Tax

Under Ind-AS accounting for deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base.

Note F : Proposed Dividend

Under the previous Indian GAAP, proposed dividend including dividend distribution tax (DDT), were recognised as liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting or paid.

3. Property, Plant and Equipment

(₹ in million)

Particulars	Leasehold improvements & Furniture & Fittings	Electrical Installation	Office equipments	Computer	Vehicles	Vehicle Under Lease	Gym Equipments	Total
Year Ended March 31, 2017								
Deemed Cost *								
As at April 1, 2016 (on account of merger)	1,051.29	328.60	78.83	98.47	1.58	4.95	721.14	2,284.86
Additions	249.02	81.34	48.59	31.27	0.08	-	479.19	889.49
Disposals	(2.64)	(3.84)	(0.50)	-	-	-	(13.04)	(20.02)
Restatement of subsidiary	2.21	(3.26)	(0.08)	-	-	-	3.35	2.22
Closing Gross Carrying Amount	1,299.88	402.86	126.84	129.74	1.65	4.95	1,190.64	3,156.55
Accumulated Depreciation								
For the year	138.14	37.10	25.90	23.53	0.18	3.95	73.49	302.29
Reversal on account of disposals	6.07	(0.55)	(0.38)	(1.25)	(0.75)	-	(4.51)	(1.37)
Restatement of subsidiary	0.05	(2.26)	(0.15)	(0.12)	(0.05)	-	2.50	(0.03)
Closing Accumulated Depreciation	144.26	34.28	25.36	22.17	(0.62)	3.95	71.47	300.89
Net Carrying Amount as at March 31, 2017	1,155.62	368.58	101.48	107.57	2.27	1.00	1,119.17	2,855.66
Year Ended March 31, 2018								
Gross Carrying Amount								
As at April 1, 2017	1,299.88	402.86	126.84	129.74	1.65	4.95	1,190.64	3,156.55
Additions	340.82	95.67	75.03	4.60	-	-	396.44	912.57
Disposals	(0.25)	(0.30)	-	-	-	-	(24.14)	(24.69)
Change in control assessment	(16.34)	1.97	0.08	(0.11)	(0.17)	-	(9.62)	(24.17)
Closing Gross Carrying Amount	1,624.11	500.20	201.95	134.24	1.48	4.95	1,553.32	4,020.26
Accumulated Depreciation								
Upto March 31, 2017	144.27	34.28	25.36	22.17	(0.62)	3.95	71.47	300.88
For the year	139.91	38.39	39.56	24.85	0.28	0.20	59.33	302.52
Disposals	(0.01)	(0.04)	-	-	-	-	(9.62)	(9.67)
Change in control assessment	(9.03)	2.72	0.49	0.97	0.74	-	1.32	(2.78)
Closing Accumulated Depreciation	275.14	75.35	65.41	47.99	0.40	4.15	122.51	590.95
Net Carrying Amount as at March 31, 2018	1,348.97	424.85	136.54	86.25	1.09	0.80	1,430.81	3,429.31

* Refer note 2 - Transition to Ind AS

4. Intangible assets

(₹ in million)

Particulars	Goodwill	Trademarks / Copyrights
Year Ended March 31, 2017		
Gross Carrying Amount		
Deemed Cost as at April 1, 2016	79.77	-
Additions		90.12
Closing Gross Carrying Amount	79.77	90.12
Accumulated Amortisation		
As at April 1, 2016	-	-
Amortisation Charge for the year	-	-
Closing Accumulated Amortisation	-	-
Closing Net Carrying Amount as at March 31, 2017	79.77	90.12
Year Ended March 31, 2018		
Gross Carrying Amount		
Opening Gross Carrying Amount	79.77	90.12
Changes in control assessment	(1.50)	-
Closing Gross Carrying Amount	78.27	90.12
Accumulated Amortisation		
Opening Accumulated Amortisation	-	-
Amortisation charge for the year	-	-
Closing Accumulated Amortisation	-	-
Closing Net Carrying Amount as at March 31, 2018	78.27	90.12

5. Non Current Financial Assets - Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Investments valued at deemed cost			
(a) Investment in equity shares			
Investment In joint ventures	116.29	117.19	104.97
Investment In associates	91.02	62.43	48.71
	207.31	179.62	153.68
(b) Share application money pending allotment	610.00	400.00	-
II. Investments valued at fair value			
Investment in equity shares			
Investment In other companies	150.00	-	-
	967.31	579.62	153.68

Note 5.1 Detailed list of non-current investments

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	(₹ in million)	Number	(₹ in million)	Number	(₹ in million)
I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated						
i) In joint venture						
(Face value of ₹ 100 each)						
Denovo Enterprises Private Limited	50,100	102.82	50,100	98.32	50,100	92.09
Jyotsna Fitness Pvt.Ltd	1,001	13.47	1,001	18.87	1,001	12.88
		116.29		117.19		104.97
ii) In associate						
Power World Gym Ltd	4,21,08,459	74.21	4,21,08,459	62.43	4,21,08,459	48.71
(Face value of ₹1.116/- (LKR 2.47/-) each)						
Inshape Health & Fitnez Pvt. Ltd.	4,08,000	0.48	-	-	-	-
(Face value of ₹10/- each)						
PWG fitness Pvt.Ltd	10,000	16.33			-	-
(Face value of ₹10/- each)						
		91.02		62.43		48.71
(b) Share application money pending allotment						
PWG Fitness Private Limited Investment		250.00		-		-
Growfitter Pvt. Ltd. (Face value of ₹ 10/- each)		-		50.00		-
Force Fitness Pvt.Ltd		-		350.00		-
Abhipray Enterprises Pvt. Ltd		75.00		-		-
Satkam Enterprises Pvt. Ltd		75.00		-		-
Life Fitness Pvt. Ltd.		100.00		-		-
Bloom sports & fitness studio Pvt.Ltd.		110.00		-		-
		610.00		400.00		-
II. Investments valued at fair value, fully paid up, unquoted						
In other companies						
Growfitter Pvt. Ltd. (Face value of ₹ 10/- each)	9,598	150.00	-	-	-	-
		150.00		-		-

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate of non-current investments:			
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	967.31	579.62	153.68
Aggregate amount of impairment in value of investments	-	-	-

6. Non Current Financial Assets - Others

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	549.65	499.76	149.53
Deposit & margin money keep with quasi public bodies & others	-	90.00	-
Bank Deposits with original maturity of more than 12 months	892.28	739.33	505.14
	1,441.93	1,329.09	654.67

7. Other Non-Current Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital advances	141.24	195.38	170.00
Others			
Prepaid expenses	66.63	79.35	75.10
	207.87	274.73	245.10

8. Inventories

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets held for sale	132.57	-	-
	132.57	-	-

9. Current Financial Assets - Investments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current investments			
Investments in mutual funds	74.85	0.32	0.29
	74.85	0.32	0.29

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos	(₹ in million)	Nos	(₹ in million)	Nos	(₹ in million)
I. Investments valued at fair value, fully paid up, unquoted, unless otherwise stated						
a) Investments in mutual fund						
Axis liquid fund- Growth	177.01	0.34	177.01	0.32	177.01	0.29
Kotak equity arbitrage fund -Monthly dividend	23,21,177	24.83	-	-	-	-
Reliance arbitrage advantage fund-Dividend	16,36,621	19.73	-	-	-	-
IDFC Arbitrage fund -Monthly dividend	1,97,27,666	29.96	-	-	-	-
Total Current investments		74.85		0.32		0.29

10. Current Financial Assets - Loans

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans to related parties (refer note no.35)	65.62	109.74	86.43
Other loans and advances	332.43	263.91	3.70
	398.05	373.65	90.13

11. Trade Receivables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured And Considered Good)			
Trade receivables	138.78	22.42	245.97
	138.78	22.42	245.97

12. Cash & Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	15.92	13.60	52.49
Balances with Banks			
In current accounts	431.66	357.19	470.27
Cheques, Drafts on hand	-	36.75	-
Fixed deposits with banks, having original maturity of three months or less	-	15.30	11.13
	447.58	422.84	533.89

13. Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposit with banks, having original maturity of more than three months but less than twelve months	-	4.15	5.54
Fixed deposits with banks (lien marked)	-	0.23	0.21
	-	4.38	5.75

14. Current Financial Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earnest Money	-	10.68	13.54
Earmarked balance for Demerger expenses	-	70.00	-
Contractually reimbursible expense	62.90	67.50	17.24
Receivable on sale of assets	25.70	25.70	25.26
Retention money	30.85	32.00	11.58
Security deposits	44.17	-	-
Others	-	13.00	4.22
	163.62	218.88	71.84

15. Other Current Assets

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance recoverable other than cash	68.35	9.55	102.17
Prepaid expenses	52.29	58.66	17.58
Others	152.61	77.88	60.84
	273.25	146.09	180.59

16. Share Capital

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
SHARE CAPITAL			
AUTHORISED:			
3,20,00,000 (March 31, 2017: 10,000, April 1, 2016: Nil) Equity Shares of ₹ 10/- each with voting rights	320.00	0.10	-
	320.00	0.10	-
ISSUED, SUBSCRIBED & PAID-UP:			
Equity Shares of ₹ 10/- each with voting rights	310.05	-	-
	310.05	-	-
Share capital suspense account	-	297.05	297.05
(on account of scheme of demerger)	-	297.05	297.05
	310.05	297.05	297.05

(i) Terms/ Rights attached to Equity Shares

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

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Details	As at March 31, 2018		As at March 31, 2017	
	No.	(₹ in million)	No.	(₹ in million)
Fully Paid up Shares Outstanding as at beginning of the year	-	-	-	-
Fully paid up shares issued during the year	3,10,04,856	310.05	10,000	0.10
Cancelled due to scheme of arrangement	-	-	(10,000)	(0.10)
Fully paid up shares Outstanding as at end of the year	3,10,04,856	310.05	-	-

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

Details	As at March 31, 2018	
	No. of shares held	% of holding
Equity Shares of ₹10/- each fully paid up		
1) Prashant Sudhakar Talwalkar & Nalina Ann Talwalkar	28,87,780	9.31%
2) Girish Madhukar Talwalkar & Nanda Girish Talwalkar	22,75,980	7.34%
3) Anant Ratnakar Gawande & Yamini Anant Gawande	25,00,200	8.06%
4) Vinayak Ratnakar Gawande & Madhuri Vinayak Gawande	15,31,900	4.94%
5) Harsha Ramdas Bhatkal & Smeeta Harsha Bhatkal	18,60,200	6.00%
6) Smallcap World Fund, Inc	23,89,000	7.71%
7) Laxmi Shivanand Mankekar & Kedar Shivanand Mankekar	19,53,520	6.30%
Total	1,53,98,580	

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

(v) Forfeited shares and calls unpaid- Nil

17. Other Equity

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General reserve			
Opening Balance	222.27	83.52	83.52
Transferred during the year	-	30.85	-
Amount transferred from Debenture redemption reserve on redemption	-	107.90	-
	222.27	222.27	83.52
Debenture redemption reserve			
Opening Balance	119.64	121.73	121.73
Transferred during the year	198.10	105.81	-
Amount transferred to General reserve on redemption	-	107.90	-
	317.74	119.64	121.73
Securities premium account			
Opening balance	828.65	828.65	828.65
Receipt during the year	400.83	-	-
Utilized for preferential allotment	(13.00)	-	-
Share issue expenses	(1.01)	-	-
	1,215.47	828.65	828.65
Surplus in statement of profit and loss			
Opening balance	1,835.25	1,454.28	1,454.28
Profit during the year as per statement of profit and loss	692.67	573.70	-
Items of other comprehensive income recognised directly in retained earning	0.46	-	-
Changes in Depreciation Policy	-	1.37	-
Transfer to Debenture Redemption Reserve	(198.10)	(105.81)	-
Transfer to General Reserve	-	(30.85)	-
Re-statement of Subsidiary Financials	(0.02)	(3.81)	-
Final Dividend & DDT	(53.63)	(53.63)	-
	2,276.63	1,835.25	1,454.28
	4,032.11	3,005.81	2,488.18

18. Non Current Financial Liabilities - Borrowings

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
1. Redeemable Non-Convertible Debentures			
(Face value of ₹1 million each fully paid up unless otherwise stated at)			
250 (PY: 250), 11.75% debentures redeemable from April 25, 2018 in 3 equal annual installment	277.08	276.77	276.49
250 (PY: 250), 10.25% debentures redeemable on December 7, 2018	258.35	257.62	256.88
250 (PY: 250), 10.10% debentures redeemable from November 6, 2019 in 3 equal annual installment	259.54	259.13	258.41
200 (PY: 200), 9.85% debentures redeemable on June 17, 2021	214.24	213.93	-
250 (PY: 250), 9.60% debentures redeemable from January 3, 2021 in 3 equal annual installment	254.24	254.01	-
300 (PY: Nil), 9.60% debentures redeemable from April 11, 2022 in 3 equal annual installment	326.43	-	-
2. Term Loan			
From bank	2,132.50	1,831.51	1,153.04
Unsecured			
Loan from related parties	-	27.60	20.79
Finance lease obligations	-	1.20	6.05
	3,722.38	3,121.77	1,971.66
Less: Current maturity of long term debt	38.02	4.68	154.17
Less: Current maturities of Non Convertible Debentures	677.90	316.95	45.66
Less: Current maturity of finance lease obligation	-	1.20	4.80
	3,006.46	2,798.94	1,767.03

Notes:

- All the secured Non-convertible debentures are secured by first pari passu charge on the specified assets of the Company as identified in the Debenture Trust Deed.
- All loans are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable fixed assets and current assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage or registered mortgage of immovable premises of the Company, corporate guarantee and collateral security by way of equitable mortgage or registered mortgage of premises of third parties situated at Tardeo and Mahalaxmi, Mumbai.
- Terms of repayment of Term loans (exclusive of transaction cost)

Year	(₹ in million)
2018-19	38.02
2019-20	107.44
2020-21	345.02
2021-22	484.53
2022-23	462.16
2023-24	460.03
2024-25	243.45

19. Non-Current Financial Liabilities - Other

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits received	1.30	1.22	1.13
Financial guarantee contracts	0.25	-	-
Payable to subsidiary company	-	11.94	-
	1.55	13.16	1.13

20. Other Non-Current Liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Revenue received in advance	0.52	0.63	0.74
	0.52	0.63	0.74

21. Current Financial Liabilities - Borrowings

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Overdraft facility from bank	5.04	3.42	5.72
Unsecured			
Loans and Advances from Related parties	-	0.49	3.62
Loans and Advances from Others	-	1.70	
	5.04	5.61	9.34

22. Trade Payables

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	72.78	97.52	94.79
Others			
Total outstanding dues of creditors other than micro enterprises and small enterprises	21.90	5.21	4.73
	94.68	102.73	99.52

23. Current Financial Liabilities - Other

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long-term debts	38.02	4.68	154.17
Current maturities of finance lease obligations	-	1.20	4.80
Current maturities of Non Convertible Debentures	677.90	316.95	45.66
Financial guarantee contracts	0.08	-	-
Payable to subsidiary company	4.74	-	-
	720.74	322.83	204.63

24. Other Current Liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Revenue received in advance	0.11	0.11	0.11
Other payables			
Statutory dues	9.19	0.94	91.36
Others	12.35	3.89	10.29
	21.65	4.94	101.76

25. Provisions

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Provision for gratuity	0.05	0.10	0.10
Others			
Provision for CSR activity	-	9.93	9.93
	0.05	10.03	10.03

26. Tax Expenses**(a) Amounts recognised in Statement of Profit and Loss**

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax expense (A)		
Current year	284.97	300.44
Short/(Excess) provision of earlier years	-	6.71
	284.97	307.15
Deferred tax expense (B)		
Origination and reversal of temporary differences	71.50	(1.34)
Tax expense recognised in the income statement (A+B)	356.47	305.81

(b) Reconciliation of effective tax rate

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	1,044.51	861.77
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	361.49	298.24
Tax effect of:		
Adjustment for expenses disallowed under Income Tax Act	118.79	130.45
Adjustment for expenses allowable under Income Tax Act	(149.10)	(121.62)
Adjustment for income not taxable	(41.74)	(5.88)
Others	(4.47)	(0.75)
Income tax expense as per Statement of Profit & Loss	284.97	300.44
Effective tax rate	27.28%	34.86%

(c) Deferred Tax Liability (Net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities			
On Property, Plant & Equipments	125.79	87.11	80.00
On fair valuation of investment	23.30	-	-
On Others	14.53	5.91	-
Deferred tax assets			
On Expected credit loss	(34.99)	(36.19)	(12.63)
MAT Credit Entitlement	(5.86)	(5.86)	(5.86)
On other expenses	-	-	(9.23)
	122.77	50.97	52.27

(d) Liabilities for current tax (net)

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax (net of provisions)	45.47	61.71	67.46
	45.47	61.71	67.46

27. Revenue from Operations

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations		
Sale of services	2,467.72	2,252.55
Other operating revenues	3.13	0.11
	2,470.85	2,252.66

28. Other Income

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Bank fixed deposits	1.65	1.02
Others	17.15	17.52
Dividend income on investments	0.76	-
Fair valuation of financial assets measured through Profit and Loss A/c	100.08	0.02
Other non-operating income	1.07	0.27
Sundry credit balances no longer payable	0.08	0.48
Gain on foreign currency transactions and translation	0.04	0.01
	120.84	19.32

29. Employee Benefit Expense

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Salaries, Wages and Bonus	61.25	52.88
Contract fees for Labour/Security/ Housekeeping	280.71	269.77
Directors' Remuneration	11.55	10.20
Staff Welfare & Other Amenities	1.88	1.36
Contribution towards provident & other funds	0.72	0.89
	356.11	335.10

30. Finance Costs

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Interest expenses	157.85	110.27
Other Borrowing costs	8.97	3.40
	166.82	113.67

31. Depreciation and Amortisation Expense

(₹ in million)

Particulars	Year ended March 31,2018	Year ended March 31,2017
Depreciation on property, plant & equipment	302.52	302.29
	302.52	302.29

32. Other Expenses

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Administrative & Other Expenses		
Asset management fees	31.00	28.12
Electricity & Fuel expenses	79.62	79.82
Gain/Loss on foregin exchange fluctuation (Net)	1.18	-
Insurance Charges	6.98	3.92
Interest on late payment of Statutory dues	41.62	10.82
Internal Audit Fees	1.79	2.44
Other Expenses	57.60	53.04
Payment to Auditors	1.87	3.51
Preliminary Expenses written off	0.92	-
Printing & Stationery	6.55	4.35
Professional Fees	37.40	24.81
Rates & Taxes	5.64	7.79
Rent	375.09	377.61
Repairs & Maintenance		
- Building, Gym Equip. & Machinery	21.97	17.50
- Others	3.48	2.27
Telephone Expenses	9.61	7.48

32. Other Expenses (Contd.)

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Traveling & Conveyance Expenses	5.19	3.61
Water Charges	4.15	6.06
	691.67	633.14
(b) Selling & Marketing Cost		
Advertising expenses	22.50	18.55
Business promotion expenses	8.37	3.54
	30.87	22.09
Total (a+b)	722.54	655.23

33. Exceptional Items

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(Loss) on sale of Property, Plant and Equipment	0.81	(3.92)
Total	0.81	(3.92)

34. Earnings Per Share (EPS)

(₹ in million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax as per statement of profit and loss	692.67	573.70
Weighted average number of equity shares for basic EPS (in No.)*	31.00	31.00
Basic earnings per share (₹)	22.34	18.50
Diluted earnings per share (₹)	22.34	18.50

*Equity shares issued during the current year as part of the Scheme of demerger (refer note 38) have been considered for the computation of weighted average number of shares from the appointed date i.e. April 1, 2016.

35. Disclosure Pursuant To Ind As - 24 "Related Party Disclosures"

A Name of related party and nature of its relationship

(a) Name of associate with whom transactions were carried out during the year

Inshape Health & Fitnez Private Limited
Power World Gyms Limited
PWG Fitness Private Limited

(b) Name of joint ventures with whom transactions were carried out during the year

Denovo Enterprise Private Limited
Jyotsna Fitness Private Limited
Equinox Wellness Private Limited

(c) Name of KMP and their relatives with whom transactions have taken place during the year

Mr. Girish Talwalkar
Mr. Prashant Talwalkar
Mr. Madhukar Talwalkar

(d) KMP having significant influence with whom transactions have taken place during the year

Better Value Leasing & Finance Limited
Better Value Properties Private Limited
Gawande Consultants Private Limited
Life Fitness India Private Limited
Pinnacle Fitness Private Limited
R2 Spa Systems
Radhika Hotels Private Limited
Talwalkars
Talwalkars Spa System
Talwalkars Fitness Club
Talwalkars Health & Leisure
Talwalkars Health Club
Talwalkars Health Commune
Talwalkars Health Complex
Talwalkars Nutrition Centre

B Closing Balances of related parties

Particulars	Associate			Joint venture			Enterprises over which Key Management Personnel & their relatives exercise significant influence				KMP & their relatives			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2017	As at April 1, 2016
Loans and Advances given														
Inshape Health & Fitnez Pvt Ltd	3.00	-	-											
PWG fitness Pvt.Ltd	16.32	-	-											
Jyotsna Fitness Pvt.Ltd				23.87	58.87	23.17								
Denovo Enterprises Pvt Ltd				91.34	119.23	81.27								
Equinox Wellness Pvt. Ltd.				0.81	0.81	0.81								
Life Fitness India Pvt. Ltd.							0.48	0.48	0.48					
Talwalkars Nutrition Centre							0.59	0.42	0.33					
Talwalkars Health Complex							1.28	1.28	1.07					
Talwalkars Health Club							1.22	1.19	0.98					
Talwalkars Health & Leisure							2.77	2.39	2.17					
Talwalkars Fitness Club							0.53	0.53	0.51					
Talwalkars							-	0.09	0.09					
Radhika Hotels Pvt. Ltd.							0.03	-	-					
Purchase consideration payable														
Inshape Health & Fitnez Pvt Ltd	4.74	-	-											
Investment in share application money														
PWG fitness Pvt.Ltd	25000	-	-											
Life Fitness India Pvt. Ltd.							100.00	-	-					
Investment in shares														
Inshape Health & Fitnez Pvt Ltd	5.58	-	-											
Power World Gym (Sri Lanka)	48.68	48.68	48.68											
PWG fitness Pvt. Ltd.	0.10	-	-											
Denovo Enterprises Pvt. Ltd.				5.01	5.01	5.01								
Jyotsna Fitness Pvt. Ltd.				0.10	0.10	0.10								

(₹ in million)

Particulars	Associate				Joint venture				Enterprises over which Key Management Personnel & their relatives exercise significant influence				KMP & their relatives			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Deposit outstanding																
Better Value Properties Pvt. Ltd.									3.71	3.71	3.71					
Life Fitness India Pvt. Ltd.									1.80	1.80	1.80					
Talwalkars Fitness Club									-	-	0.90					
Mr. Prashant Talwalkar													1.31	1.31	1.31	
Trade payable																
R2spa									0.20	0.06	0.05					
Franchise fee receivable																
Jyotsna Fitness Pvt.Ltd					42.57	1.94	40.23									
Equinox Wellness Pvt. Ltd.					2.64	2.64	2.64									
Denovo Enterprises Pvt Ltd					11.68	12.25	10.88									

C Disclosure in respect of material related party transaction during the year

(₹ in million)

Transactions	Name	Relationship	Year Ended March 31, 2018	Year Ended March 31, 2017
Loans and Advances given	PWG fitness Pvt.Ltd	Associates	16.32	-
	Inshape Health & Fitnez Pvt Ltd	Associates	3.00	-
	Denovo Enterprises Pvt Ltd	Joint Venture		37.97
	Jyotsna Fitness Pvt.Ltd	Joint Venture		35.00
	Radhika Hotels Pvt. Ltd.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.03	-
	Talwalkars Fitness Club	Enterprises over which Key Management Personnel & their relatives exercise significant influence	-	0.02
	Talwalkars Health & Leisure	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.38	0.22

Transactions	Name	Relationship	(₹ in million)	
			Year Ended March 31, 2018	Year Ended March 31, 2017
	Talwalkars Health Club	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.03	0.21
	Talwalkars Health Complex	Enterprises over which Key Management Personnel & their relatives exercise significant influence	-	0.21
	Talwalkars Nutrition Centre	Enterprises over which Key Management Personnel & their relatives exercise significant influence	0.17	0.09
	Repayment of Loans and Advances			
	Denovo Enterprises Pvt Ltd	Joint Venture	35.00	-
	Jyotsna Fitness Pvt.Ltd	Joint Venture	27.90	-
	Investment in shares Application Money			
	PWG fitness Pvt.Ltd	Associates	50.00	-
	Life Fitness India Pvt.Ltd	Enterprises over which Key Management Personnel & their relatives exercise significant influence	100	-
	Remuneration			
	Mr. Madhukar Talwalkar	KMP and their relatives	1.30	1.30
	Mr. Prashant Talwalkar	KMP and their relatives	4.20	4.20
	Mr. Girish Talwalkar	KMP and their relatives	4.20	4.20
	Dividend on Investment			
	Power World Gym (Sri Lanka)	Associates	3.19	-
	Interest Income on unsecured Loan			
	Jyotsna Fitness Pvt.Ltd	Joint Venture	-	0.69
	Franchise Income			
	Denovo Enterprises Pvt Ltd	Joint Venture	0.45	1.37
	Jyotsna Fitness Pvt.Ltd	Joint Venture	0.40	1.97
	Rent Paid			
	Mr. Prashant Talwalkar	KMP	2.71	2.64
	Better Value Properties Pvt. Ltd.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	7.97	8.41
	Life Fitness India Pvt. Ltd.	Enterprises over which Key Management Personnel & their relatives exercise significant influence	4.30	4.76
	Talwalkars Fitness Club	Enterprises over which Key Management Personnel & their relatives exercise significant influence	-	3.89

Transactions	Name	Relationship	(₹ in million)	
			Year Ended March 31, 2018	Year Ended March 31, 2017
Office expenses/Rent/electricity etc.	Better Value Leasing & Finance Ltd	Enterprises over which Key Management Personnel & their relatives exercise significant influence	80.37	68.65
Asset Purchase	R2spa	Enterprises over which Key Management Personnel & their relatives exercise significant influence	1.86	0.49
Purchase consideration paid	Inshape Health & Fitnez Pvt Ltd	Associate	7.20	-
Service Charges	R2spa	Enterprises over which Key Management Personnel & their relatives exercise significant influence	1.24	1.38
Reimbursement of expenses	Power World Gym (Sri Lanka)	Associates	-	0.07

D Summary of related party transactions during the year

Particulars	Enterprises over which Key Management Personnel & their relatives exercise significant influence									
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Loans and Advances given	19.32	-	-	72.97	0.60	0.75				
Purchase consideration paid	7.20	-								
Repayment of Loans and Advances given			62.90	-						
Investment in share application money	50.00	-			100.00	-				
Remuneration							9.70			9.70
Dividend on Investment	3.19	-								
Reimbursement of expenses	-	0.07								
Interest Income on unsecured Loan			-	0.69						
Franchise fee Income			0.85	3.34						
Asset purchase					1.86	0.49				
service charges					1.24	1.38				
Rent for Premises					12.27	17.06	2.71			2.64
Office expenses/Rent/electricity etc					80.37	68.65				

36. Contingent liabilities and commitments

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a. Claim from a landlord, case pending before the judiciary-Hyderabad	29.49	29.49	29.49
b. Cases pending before consumer courts	1.77	1.10	0.2
c. Corporate guarantee given	2.10	3.37	3.18
	33.36	33.96	32.87

In accordance with the scheme of demerger, company has bifurcated its assets and liabilities between the demerged and resultant companies. Company has assured its lenders that necessary documents and guarantees have been issued to ensure security creation for facilities granted to them, its subsidiaries and associates.

37. Segment Reporting

a) Primary (Business) Segment

- (i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Finance Officer of the Group. The Group operates only in one Business Segment i.e. "Gym Business", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

As the Group's business consists of one reportable business segment and hence, no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities and Capital employed are given..

- (ii) The Group does not have revenue from external customer outside India and assets located outside India, hence not disclosed separately.
- (iii) Further, the Group does not have revenue more than 10% of total revenue from single external customer. .

Geographical Information

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

38. Business Combination: Scheme of arrangement with Talwalkars lifestyles Limited

The Board of directors of the Talwalkars Better Value Fitness Limited" ("TBVFL") on November 24, 2016 approved the Scheme of Arrangement under Sections 391 – 394 of the Companies Act, 1956 ('the Scheme') between Talwalkars Better Value Fitness Limited ("TBVFL" or 'Demerged Company') and Talwalkars Lifestyles Limited ("TLL" or 'Resulting Company' or 'Company') & their respective shareholders & creditors for the demerger of gymnasium business into the Company. The Scheme of Arrangement for Demerger has been approved by National Company Law Tribunal (NCLT), Mumbai Bench on December 21, 2017 and it came into effect on February 20, 2018 (the "Effective Date"), the date on which the Order from National Company Law Tribunal (NCLT) was filed with the Registrar of Companies. Pursuant to the scheme of arrangement ('the scheme'), with effect from the Appointed date i.e., April 1, 2016 the Gymnasium business from TBVFL of the company stands transferred to the newly formed company namely TLL. The scheme has been considered in these results by transferring the assets and liabilities as identified by the management as pertaining to the Gymnasium business with effect from the "Appointed Date". Also, the Income and Expenses of the Demerged Company have been determined based on management evaluation of relevant business activities to be continued in the Demerged Company.

Pursuant to the scheme the following assets, liabilities pertained to Gym Business of group have been transferred from TBVFL to TLL w.e.f from April 1, 2016 at their respective Book value as follows:

Particulars	(₹ in million)
Assets	
Property, plant and equipment	2,747.99
Capital Work in Progress	720.77
Goodwill	32.19
Financial Assets- Non Current	835.21
Other Non Current Assets	171.70
Financial Assets-other	1,039.70
Other Current Assets	184.42
	5,731.98
Liabilities	
Financial Liabilities- Non current	1,845.73
Deferred tax liabilities (net)	158.51
Financial Liabilities-current	320.16
Liabilities for current tax (net)	95.15
Other current liabilities	267.68
	2,687.22
Minority Interest	139.00
Net Assets Transferred	2,905.75

As a consideration for the value of net assets transferred, the Demerged Company shall issue 1 (One) fully paid up equity shares of INR 10 each in resulting Company for every 1 (One) Equity share of INR 10 each held in the demerged undertaking to the existing shareholders of the demerged undertaking as on the record date, aggregating to shares of INR 1 each. There is no contingent consideration payable on this acquisition.

Further, as per the Scheme, the excess of book value of assets over the book value of liabilities of the demerged undertaking shall be adjusted against the securities premium account/ capital reserve/general reserve/ balance in the statement of profit /loss of demerged undertaking.

Particulars	(₹ in million)
Excess of book value of assets over the book value of liabilities	2,905.75
Adjusted against:	
Debenture Redemption Reserve	121.72
General Reserve	83.52
Profit & Loss Account	1,574.77
Securities Premium Account	1,125.74

39. Financial instruments – Fair values and risk management

A. Accounting classification

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVTOCI	Fair value through profit & loss	Amortised Cost	FVTOCI	Fair value through profit & loss	Amortised Cost	FVTOCI	Fair value through profit & loss	Amortised Cost
Financial Assets									
Investment In other companies	-	150.00	-	-	-	-	-	-	-
Investment in mutual fund	-	74.85	-	-	0.32	-	-	0.29	-
Other financial assets	-	-	1,605.55	-	-	1,547.97	-	-	726.51
Trade receivables	-	-	138.78	-	-	22.42	-	-	245.97
Cash and cash equivalents	-	-	447.58	-	-	422.84	-	-	533.89
Other Bank Balance	-	-	-	-	-	4.38	-	-	5.75
Loans- current	-	-	398.05	-	-	373.65	-	-	90.13
Total	-	224.85	2,589.95	-	0.32	2,371.27	-	0.29	1,602.25
Financial Liabilities									
Borrowings	-	-	3,722.38	-	-	3,121.77	-	-	1,971.66
Trade Payables	-	-	94.68	-	-	102.73	-	-	99.52
Other financial liabilities	-	-	6.37	-	-	13.16	-	-	1.13
Total	-	-	3,823.43	-	-	3,237.66	-	-	2,072.31

B. Fair Value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Investments in Equity Instruments	74.85	-	-	0.32	-	-	0.29	-	-
Investment in mutual fund	-	-	150.00	-	-	-	-	-	-
Financial Liabilities									
Borrowings	-	3,722.38	-	-	3,121.77	-	-	1,971.66	-

The management assessed that carrying amount of cash and cash equivalents, trade receivables, loans, trade payable and other financial liabilities approximate their fair values largely due to the short-term maturities of these instruments.

C Financial Risk Management

i. Risk management framework

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

(b) Cash and cash equivalents and Other Bank Balances

The Group held cash and cash equivalents and other bank balances of ₹ 447.58 million at March 31, 2018 (March 31, 2017: ₹ 427.22 million, April 01, 2016 : ₹ 539.64 million). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Group invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Group to credit risk.

iii. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

a Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

b Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the Group's interest-bearing financial instruments is as follows.

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Term Loan From Bank	2,132.50	1,831.51	1,153.04
Total of Variable Rate Financial Liabilities	2,132.50	1,831.51	1,153.04

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

(₹ in million)

Cash flow sensitivity (net) INR	Profit or loss	
	50 bp increase	50 bp decrease
March 31, 2018		
Variable-rate loan instruments	(10.66)	10.66
Cash flow sensitivity (net)	(10.66)	10.66
March 31, 2017		
Variable-rate loan instruments	(9.16)	9.16
Cash flow sensitivity (net)	(9.16)	9.16

c Other price risk

The Group invests its surplus funds in various Equity and debt instruments . These comprise of mainly liquid schemes of mutual funds (liquid investments), Equity shares and fixed deposits. This investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

iv. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Group through effective fund management of the Group's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Maturity Analysis of Significant Financial Liabilities

(₹ in million)

March 31, 2018	Total	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Debentures	1,589.87	677.90	911.96	-
- Term Loans	2,132.50	38.02	1,854.76	239.72
- Finance Lease obligations	-	-	-	-
Trade and other payables	94.68	94.68	-	-
Other financial liabilities	6.37	4.82	1.55	-

March 31, 2017	Total	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Debentures	1,261.45	316.95	944.50	-
- Term Loans	1,831.51	4.68	1,410.62	416.21
- Finance Lease obligations	1.20	1.20	-	-
Trade and other payables	102.73	102.73	-	-
Other financial liabilities	13.16	7.20	5.96	-

April 1, 2016	Total	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Debentures	791.78	45.66	746.13	-
- Term Loans	1,153.04	154.17	998.87	-
Finance lease obligations	6.05	4.80	1.25	-
Trade and other payables	99.52	99.52	-	-
Other financial liabilities	1.13	-	1.13	-

40. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

(₹ in million)

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit & Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in Millions)	As % of consolidated profit & loss	(₹ in Millions)	As % of consolidated profit & loss	(₹ in Millions)	As % of consolidated profit & loss	(₹ in Millions)
For the year ended March 31, 2018								
Parent								
Talwalkars Lifestyles Limited	93.54%	4,084.76	97.94%	678.45	0.00%	0.54	97.95%	678.99
Subsidiaries								
Indian								
Aspire Fitness Private Limited	0.67%	29.35	0.67%	4.65	-	-	0.67%	4.65
Foreign								
Talwalkars Better Value Fitness Singapur (Pte) Limited	0.80%	34.88	(0.23%)	(1.58)	0.00%	(0.05)	(0.24%)	(1.63)
Pwg Fitness (PVT) Ltd (Srilanka)	0.98%	42.85	0.01%	0.06	0.00%	(0.02)	0.01%	0.04

(₹ in million)

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit & Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(₹ in Millions)	As % of consolidated profit & loss	(₹ in Millions)	As % of consolidated profit & loss	(₹ in Millions)	As % of consolidated profit & loss	(₹ in Millions)
Inshape Health & Fitnez Private Limited	(0.10%)	(4.58)	0.04%	0.30	-	-	0.04%	0.30
Power World Gyms Limited	0.58%	25.31	2.13%	14.75	-	-	2.13%	14.75
PWG Fitness Private Limited	0.23%	10.00	0.03%	0.21	-	-	0.03%	0.21
Denovo Enterprise Private Limited	2.23%	97.23	0.65%	4.50	-	-	0.65%	4.50
Jyotsna Fitness Private Limited	0.47%	20.59	0.01%	0.10	-	-	0.01%	0.10
Equinox Wellness Private Limited	0.04%	1.77	-	-	-	-	-	-
Net Total		4,342.16		701.44		0.46		701.90
Non controlling Interest in all subsidiaries	0.57%	24.72	(1.26%)	(8.74)	0.00%	-	(1.26%)	(8.74)
Total	100.00%	4,366.88	100.00%	692.70	0.00%	0.46	100.00%	693.16

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2018

**For the year ended
March 31, 2017**

Parent

Talwalkars Lifestyles Limited	94.01%	3,139.25	93.07%	533.95	-	-	93.07%	533.95
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Subsidiaries

Indian

Aspire Fitness Private Limited	0.77%	25.73	0.58%	3.33	-	-	0.58%	3.33
Inshape Health & Fitnez Private Limited	(0.02%)	(0.74)	(0.16%)	(0.90)	-	-	(0.16%)	(0.90)
PWG Fitness Private Limited	0.30%	9.89	3.41%	19.58	-	-	3.41%	19.58

Associate/Joint Venture

Denovo Enterprise Private Limited	2.78%	92.73	1.29%	7.43	-	-	1.29%	7.43
Jyotsna Fitness Private Limited	0.61%	20.48	1.34%	7.70	-	-	1.34%	7.70
Equinox Wellness Private Limited	0.05%	1.77	0.00%	-	-	-	0.00%	-
Power World Gyms Limited	0.41%	13.75	2.39%	13.72	-	-	2.39%	13.72
Net Total		3,302.86		584.81		-		584.81
Minority Interest in all subsidiaries	1.09%	36.36	(1.94%)	(11.11)	-	-	(1.94%)	(11.11)
Total	100.00%	3,339.22	100.00%	573.70	-	-	100.00%	573.70

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2017

41. Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's adjusted net debt to equity ratio is as follows:

(₹ in million)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Total liabilities	3,722.38	3,121.77	1,971.66
Less : Cash and cash equivalent	447.58	427.22	539.64
Adjusted net debt	3,274.80	2,694.55	1,432.02
Total equity	4,342.16	3,302.86	2,785.23
Adjusted equity	4,342.16	3,302.86	2,785.23
Adjusted net debt to adjusted equity ratio	0.75	0.82	0.51

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

42. Other Notes

Previous year figures have been regrouped, re-arranged and re-classified wherever necessary to conform to current year's classification.

As per our report of even date attached

For Lakdawala & Associates

Chartered Accountants

Firm Regn No. : 105518W

K. P. Lakdawala

Proprietor

Membership no.: 035633

Mumbai

Date: May 18, 2018.

For and on behalf of the Board of Directors

P. S. Talwalkar

Chairman

G. M. Talwalkar

Director

Gayatri Prasad

Company Secretary & Compliance officer

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Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Forward-looking statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.



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