



RED HERRING PROSPECTUS

Dated April 15, 2010

Please read Section 60B of the Companies Act, 1956

100% Book Built Issue

TALWALKARS BETTER VALUE FITNESS LIMITED

Our Company was originally incorporated as "Talwalkars Better Value Fitness Private Limited", a private limited company under the provisions of the Companies Act, 1956, vide certificate of incorporation dated April 24, 2003 with CIN U92411MH2003PTC140134, issued by the Registrar of Companies ("RoC"), at Mumbai, Maharashtra. Pursuant to a Board resolution dated September 10, 2009 and a special resolution of the shareholders of our Company at the EGM held on October 1, 2009, our Company became a public limited company and the name of our Company was changed to "Talwalkars Better Value Fitness Limited". The fresh certificate of incorporation to reflect the new name was issued by the RoC on November 7, 2009 with CIN U92411MH2003PLC140134.

Registered and Corporate Office: 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026, Maharashtra, India.

(For details of change in our name and our Registered Office, refer to the chapter titled **"History and Other Corporate Matters"** beginning on page 80 of this Red Herring Prospectus)

Contact Person: Mr. Niraj Rohitkumar Oza, **Company Secretary and Compliance Officer.** Tel: +91 – 22 – 6612 6300; **Fax:** +91 – 22 – 6612 6363;

E-mail: ipo@talwalkars.net; **Website:** www.talwalkars.net

PROMOTERS OF OUR COMPANY

Mr. Madhukar Vishnu Talwalkar, Mr. Prashant Sudhakar Talwalkar, Mr. Vinayak Ratnakar Gawande, Mr. Girish Madhukar Talwalkar, Mr. Harsha Ramdas Bhatkal and Mr. Anant Ratnakar Gawande

THE ISSUE

PUBLIC ISSUE OF 6,050,000 EQUITY SHARES OF RS. 10/- EACH OF TALWALKARS BETTER VALUE FITNESS LIMITED ("TBVFL" OR THE "COMPANY" OR THE "ISSUER"), FOR CASH AT A PRICE OF RS. [-] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [-] PER EQUITY SHARE) FOR CASH AGGREGATING TO RS. [-] MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 25.09 % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: Rs. 123/- TO Rs. 128/- PER EQUITY SHARE OF FACE VALUE Rs. 10/- EACH

THE FLOOR PRICE IS 12.3 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 12.8 TIMES OF THE FACE VALUE.

In case of revision in the Price Band, the Bidding / Issue Period shall be extended for three additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding / Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager and the terminals of the member(s) of the Syndicate.

The Issue is being made under sub-regulation (2) (a) (i) and (2) (b) (i) of Regulation 26 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and through the 100% Book Building Process wherein atleast 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. **The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.**

All Bidders, other than a QIB, may participate in this Issue through an Application supported by Blocked Amount providing details of the bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Bank. For details refer to the paragraph titled **"Issue Procedure for ASBA Bidders"** beginning on page 282 of this Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. **The face value of the Equity Shares is Rs.10/- and the Issue Price is 12.3 times of the face value at the lower end of the Price Band and 12.8 times of the face value at the higher end of the Price Band.** The Issue Price (has been determined and justified by our Company, in consultation with the Book Running Lead Manager as stated in chapter titled **"Basis for Issue Price"** beginning on page 43 of this Red Herring Prospectus) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. **Specific attention of the investors is invited to the chapter titled "Risk Factors" beginning on page xii of this Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares of our Company offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited. ('NSE'). We have received in-principle approval from the BSE pursuant to letter dated February 05, 2010 and NSE pursuant to letter dated January 28, 2010 for the listing of our Equity Shares. For the purposes of this Issue, NSE shall be the Designated Stock Exchange for this Issue.

IPO GRADING

This Issue has been graded by Credit Analysis & Research Limited ("CARE Limited"), a credit rating agency registered with the Securities and Exchange Board of India ("SEBI") and has been assigned the **"CARE IPO GRADE 3"** indicating average fundamentals, through its letter dated February 12, 2010 which has been reaffirmed by the letter dated April 05, 2010 for a period of two months. The IPO grading is assigned on a 5 point scale from 1 to 5 with IPO Grade 5/5 indicating strong fundamentals and a IPO Grade 1/5 indicating poor fundamentals. For details regarding the grading of the Issue, please refer the section "General Information" and "Appendix A" beginning on page 7 and page 345 respectively of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER



INDIA INFOLINE LIMITED

10th Floor, One IBC,
841, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India
Tel: +91-22-4646 4600; Fax: +91-22-4646 4700
E-mail: talwalkars.ipo@iiflcap.com;
Website: www.iiflcap.com
Contact Person: Mr. Pinkesh K. Soni / Mr. Satish Ganega
SEBI Registration Number: INM 000010940



LINK INTIME INDIA PVT LTD

LINK INTIME INDIA PRIVATE LIMITED

C -13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai – 400 078, Maharashtra, India.
Tel: +91-22-2596 0320; Fax: +91-22-2596 0329
Email: tbvfl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No: INR000003761

BID / ISSUE PROGRAMME

BID / ISSUE OPENS ON

Wednesday, April 21, 2010

BID / ISSUE CLOSES ON

Friday, April 23, 2010

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Red Herring Prospectus, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this Section.

COMPANY RELATED TERMS

Term	Description
“Talwalkars”, “TBVFL”, “our Company”, “the Company”, “the Issuer Company”, “the Issuer”, “we”, “us” and “our”	Unless the context otherwise requires, refers to Talwalkars Better Value Fitness Limited, a public limited company incorporated under the Companies Act, having its registered office at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026, Maharashtra, India.
Our Promoter(s) / Promoter Director(s)	Unless the context otherwise requires, refers to Mr. Madhukar Vishnu Talwalkar; Mr. Prashant Sudhakar Talwalkar; Mr. Vinayak Ratnakar Gawande; Mr. Girish Madhukar Talwalkar; Mr. Harsha Ramdas Bhatkal; and Mr. Anant Ratnakar Gawande .
Our Promoter Group	Includes such persons and entities constituting our Promoter Group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009 and disclosed in the chapter titled “ <i>Our Promoter Group and Group Companies</i> ” beginning on page 111 of this Red Herring Prospectus.
Our Group Companies	Includes those companies, firms, ventures, promoted by our promoters, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, 1956 and disclosed in the chapter titled “ <i>Our Promoter Group and Group Companies</i> ” beginning on page 111 of this Red Herring Prospectus.
Our Joint Venture Companies	Talwalkars Pantaloon Fitness Private Limited, Denovo Enterprises Private Limited and Aspire Fitness Private Limited.
Our Associate Company	Equinox Wellness Private Limited
Our Group	Refers to Talwalkars Better Value Fitness Limited, our Joint Venture Companies and our Associate Company.
Talwalkar Group	Mr. Madhukar Vishnu Talwalkar, Ms. Usha Madhukar Talwalkar, Madhukar Vishnu Talwalkar (HUF), Mr. Girish Madhukar Talwalkar, Ms. Nanda Girish Talwalkar, Girish Madhukar Talwalkar (HUF), Mr. Prashant Sudhakar Talwalkar, Ms. Nalina Ann Talwalkar, Prashant Sudhakar Talwalkar (HUF).
Gawande Group	Mr. Vinayak Ratnakar Gawande, Ms. Madhuri Vinayak Gawande, Vinayak Ratnakar Gawande (HUF), Mr. Anant Ratnakar Gawande, Ms. Yamini Anant Gawande, Anant Ratnakar Gawande (HUF), Ratnakar Gawande (HUF), Mr. Harsha Ramdas Bhatkal, Ms. Smeeta Harsha Bhatkal, Better Value Leasing and Finance Limited, Gawande Consultants Private Limited.
Registered Office	The registered office of our Company located at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026, Maharashtra, India.
“you”, “your” or “yours”	Prospective investors in this Issue

GENERAL /CONVENTIONAL TERMS

Term	Description
Articles / Articles of Association/AoA	The Articles of Association of our Company.
Auditors	The statutory auditors of our Company, being Saraf Gurkar & Associates, Chartered Accountants.
Board of Directors / Board	The Board of Directors of our Company or a Committee thereof duly constituted.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of our Company unless otherwise specified.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder.
Financial Year / Fiscal / FY	The period of twelve months ended March 31 of that particular year, unless specifically otherwise stated.

Term	Description
Indian GAAP	Generally accepted accounting principles in India.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time.
Memorandum / Memorandum of Association/MoA	The Memorandum of Association of our Company.
Non Resident	A “person resident outside India”, as defined under FEMA including FIIs.
NRI / Non-Resident Indian	A “person resident outside India”, as defined under FEMA and who is a citizen of India or is a person of Indian origin as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Regulations/ SEBI (ICDR) Regulations, 2009	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, including circulars, instructions, guidelines and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
U.S. GAAP	Generally accepted accounting principles in the United States of America.

ISSUE RELATED TERMS

Term	Description
Allocation	Allocation of Equity Shares pursuant to this Issue.
Allotted / Allotment	Allotment of Equity Shares, pursuant to this Issue.
Allottee	The successful Bidder to whom Equity Shares are being / have been allotted.
Applications Supported by Blocked Amount (ASBA)	Applications Supported by Blocked Amount (ASBA) means an application, whether physical or electronic, used by a any Bidder (other than QIB) to make a Bid authorizing a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Form	Bid-cum-Application Form for ASBA investors.
ASBA Investor/ASBA Bidder	An Investor who intends to apply through ASBA process in the Issue and is not a QIB;
ASBA Bid cum Application Form / ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Public Issue Account	A bank account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms (if submitted in physical form).
Banker to the Company	Union Bank of India
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in paragraph titled “Basis of Allotment or Allocation” beginning on page 274 of this Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Investor (other than QIB) pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares.
Bidder(s)	Any prospective investor who makes a Bid for Equity Shares pursuant to the terms of the Red Herring Prospectus and Bid cum Application Form through the Book Building Process
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue.
Bid / Issue Closing Date	The date after which the members of the Syndicate / SCSBs will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation.
Bid / Issue Opening Date	The date on which the members of the Syndicate / SCSBs shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation.

Term	Description
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for Allotment in terms of the Red Herring Prospectus. Unless the context otherwise requires in Red Herring Prospectus, Bid-cum-Application Form includes ASBA Form.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form or ASBA Form.
Bidding Period or Bidding/ Issue Period or Issue/ Bidding Period.	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process / Method	Book building mechanism / route as provided under Part A of Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is made.
Book Running Lead Manager / BRLM	India Infoline Limited
BSE	Bombay Stock Exchange Limited
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN / Confirmation of Allocation Note	The note or advice or intimation of Allocation of Equity Shares sent to the Bidders who have been Allocated Equity Shares after discovery of Issue Price in the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSB which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available on http://www.sebi.gov.in
Cut-off / Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Accounts and from bank accounts of ASBA investors to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated December 14, 2009, which does not have complete particulars on the price at which the Equity Shares are offered and size of this Issue, which was filed with SEBI and Stock Exchanges. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least three days before the opening of this Issue. It will become a Prospectus after filing with the RoC after the Pricing Date.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Escrow Account(s)	Account(s) opened with Escrow Collection Bank(s) and in whose favour the Bidder (except ASBA Investor) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid and in which account the cheques / demand drafts will be deposited by the Syndicate Member(s).
Escrow Agreement	Agreement to be entered into among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), the Refund Bank (s) and the BRLM in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders (except ASBA Investor) on the terms and condition thereof.
Escrow Collection Bank(s) / Banker (s) to the Issue	The banks which are clearing members and registered with SEBI as banker to an issue under SEBI (Bankers to an Issue) Regulations, 1994 at which the Escrow Account for this Issue will be opened, in this case being Axis Bank Limited, HDFC Bank Limited, Standard Chartered Bank and The HongKong and Shanghai Banking Corporation Limited.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or ASBA Form or ASBA Revision Form.

Term	Description
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
IPO Grading Agency	Credit Analysis and Research Limited
Issue	Public Issue of 6,050,000 Equity Shares of Rs. 10/- each of our Company, for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) for cash aggregating to Rs. [•] million.
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Margin Amount	The amount paid by the Bidder (except ASBA Investor) at the time of submission of the Bid, which may be between 10% or 100% of the Bid Amount, as applicable.
Mutual Funds	Mutual Funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Funds Portion	That portion of the Issue, being 5% of the QIB Portion or 151,250 Equity Shares available for Allocation on a proportionate basis to Mutual Funds only.
Net Proceeds	The proceeds of the Fresh Issue, after deducting the Issue related expenses attributable to the Company.
Non - Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000/-.
Non - Institutional Portion	The portion of this Issue, being atleast 15% of the Issue, consisting of 907,500 Equity Shares aggregating Rs. [•] million, available for Allocation to Non- Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price.
NSE	National Stock Exchange of India Limited
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pay-in Date	Bid / Issue Closing Date or the last date specified in the CAN sent to Bidders receiving Allocation who pay less than 100% Margin Amount at the time of bidding, as applicable.
Pay-in Period	Means: (i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	The price band of a minimum price ("Floor Price") of Rs. 123/- and the maximum price ("Cap Price") of Rs. 128/- and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price.
Prospectus	The prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Bankers to the Issue to receive monies from the Escrow Account and accounts of ASBA Investors for this Issue on the Designated Date.
QIB Margin Amount	An amount representing at least 10% of the Bid Amount those QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of this Issue, being atleast 50% of the Issue, consisting of 3,025,000 Equity Shares of Rs. 10/- each aggregating Rs. [•] million, available for Allocation to QIBs on a proportionate basis, subject to valid bids being received at or above the Issue Price. 5% of the QIB Portion, that is, 151,250 Equity Shares shall be available for Allocation on a proportionate basis to Mutual Funds only.

Term	Description
Qualified Institutional Buyers / QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; a foreign institutional investor and sub-account (other than a sub-account which is foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority (IRDA); provident funds with minimum corpus of Rs. 250 million; and pension funds with minimum corpus of Rs. 250 million and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India and Insurance funds set up and managed by army, navy or air force of the Union of India, eligible to Bid in the Issue.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the opening of the Issue and will become a Prospectus after filing with the RoC after the Pricing Date.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means funds through ECS, NEFT, Direct Credit or RTGS as applicable
Refund Account	The no-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred on the Designated Date.
Refund Bank	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the chapter titled “Issue Procedure” beginning on page 251 this Red Herring Prospectus.
Registrar of Companies / RoC	Registrar of Companies, Mumbai located at Everest Building, 100, Marine Drive, Mumbai – 400 002, Maharashtra, India.
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai - 400078, Maharashtra, India.
Resident Retail Individual Investor /Resident Retail Individual Bidder	A Retail Individual Bidder who is a “person resident in India” (as defined in Foreign Exchange Management Act, 1999)
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) and Bidders in reserved category who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000/- in the Issue.
Retail Portion	The portion of this Issue, being not less than 35% of the Issue, consisting of 2,117,500 Equity Shares aggregating Rs. [●] million, being, available for Allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received at or above the Issue Price.
Revision Form	The form used by the Bidders to modify the number of Equity Shares or any Bid amount in any of their Bid-cum-Application Forms or any previous Revision Form(s).
Self Certified Syndicate Banks (SCSBs) / Self Certified Syndicate Bank	Shall mean a Banker to an issue registered with SEBI which offers the facility of Applications Supported by Blocked Amount.
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	India Infoline Limited
Transaction Registration Slip / TRS	The slip or document registering the Bids, issued by the Syndicate Member(s) or the SCSB (only on demand) to the Bidder as proof of registration of the Bid upon submission of the Bid-cum-Application Form in terms of the Red Herring Prospectus.
Underwriters	The BRLM and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

INDUSTRY RELATED TERMS / ABBREVIATIONS

Term	Description
Aerobics / Aerobic exercise	An exercise that involves or improves oxygen consumption by the body’s metabolic or energy-generating process.
Cardiovascular Equipment	An equipment used for exercise that increases the body’s ability to utilise fat and to consume oxygen

Term	Description
Fitness Chain	An operator of more than three fitness clubs with more than 5,000 members in total.
Free Weights	A type of weights used in exercise, including among others barbells and dumbbells which is not attached to a specialised weight machine or exercise device.
Gymnasium	A premise with facilities for exercise and sports.
Health Club / Fitness Club	A facility that contains a health and fitness room with resistance training and / or cardiovascular equipment. The facility must be open to the general public on either a pay-and-play or membership basis.
IHRSA	The International Health, Racquet and Sportsclub Association
Member	A person who has a paid membership at a health and fitness club.
PEP	Personal Exercise Programme
Resistance Training	Refers to any training that uses a resistance to the force of muscular contraction also termed as Strength training.
Treadmill	A piece of low impact indoor exercise machine which allows a person to walk, jog or run without moving any distance.

GENERAL ABBREVIATIONS

Abbreviation	Full Form
A/c	Account
AGM	Annual General Meeting
AoA	Articles of Association
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BPLR	Benchmark Prime Lending Rate
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited
CAN	Confirmation of Allocation Note
CAGR	Compounded Annual Growth Rate
CARE	Credit Analysis and Research Limited
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CENVAT	Central Value Added Tax
CESTAT	Central Excise and Services Tax Appellate Tribunal
CIN	Corporate Identification Number
DB	Designated Branch
DGFT	Directorate General of Foreign Trade
DIN	Director's Identification Number
DRHP	Draft Red Herring Prospectus
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings before Depreciation, Interest, Tax, Amortisation and extraordinary items
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FCL	Foreign Currency Loans
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder
FDI	Foreign Direct Investment
FII/Foreign Institutional Investors	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
GIR Number	General Index Registry Number

Abbreviation	Full Form
GoI / Government	Government of India
GSM	Grams per square metres
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIFL	India Infoline Limited
MAPIN	Market Participant and Investor Database
MODVAT	Modified Value Added Tax
MoU	Memorandum of Understanding
NAV	Net Asset Value
NOC	No Objection Certificate
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RHP	Red Herring Prospectus
RoNW	Return on Net Worth
RTL	Rupee Term Loan
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended from time to time
TDER	Total Debt Equity Ratio
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
UoI	Union of India
USD / \$ / US\$	The United States Dollar, the legal currency of the United States of America

Notwithstanding the foregoing:

1. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 296 of this Red Herring Prospectus, defined terms have the meaning given to such terms in that section;
2. In the section titled “*Financial Statements*” beginning on page 145 of this Red Herring Prospectus, defined terms have the meaning given to such terms in that section;
3. In the paragraphs titled “*Disclaimer Clause of the Bombay Stock Exchange Limited*” and “*Disclaimer Clause of the National Stock Exchange of India Limited*” both beginning on pages 238 respectively of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in those paragraphs.
4. In the chapter titled “*Statement of Tax Benefits*” beginning on page 46 of this Red Herring Prospectus, defined terms have the meaning given to such terms in that chapter.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Red Herring Prospectus, unless the context otherwise requires, all references to gender also refer to the other gender

Certain Conventions

In this Red Herring Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms all references to “we”, “us”, “our”, “Company”, “our Company” are to Talwalkars Better Value Fitness Limited and all references to “our Group” are to our Company and its Joint Venture Companies and Associate Company. All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements as of and for the years ended on March 31, 2005, 2006, 2007, 2008, 2009 and for the nine months period ended December 31, 2009, prepared in accordance with generally accepted accounting principles followed in India (*‘Indian GAAP’*) and the Companies Act and restated in accordance with the SEBI Regulations, as stated in the report of our Statutory Auditors, Saraf Gurkar and Associates, Chartered Accountants, included in this Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Currency and units of Presentation

In this Red Herring Prospectus, all references to ‘Rupees’ / ‘Rs.’ / ‘INR’ are to Indian Rupees, the official currency of the Republic of India. All references to ‘\$’ / ‘US\$’ / ‘USD’ / ‘U.S. Dollar(s)’ / ‘US Dollar(s)’ are to the United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lakhs’ or ‘ten lacs’, the word ‘Lakhs / Lacs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn. / Billions’ means ‘one hundred crores’.

Exchange Rates

This Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Item (VIII) (G) of Part A of Schedule VIII to the SEBI Regulations. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless, otherwise stated, the Company has in this Red Herring Prospectus used a conversion rate as mentioned below. Such translations should not be considered as a representation that such U.S Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

The US Dollar exchange rate data for the last 5 years from Bloomberg website is as given below:

1 USD = Rs.43.75 as on March 31, 2005
 1 USD = Rs.44.62 as on March 31, 2006
 1 USD = Rs.43.48 as on March 30, 2007
 1 USD = Rs.40.12 as on March 31, 2008
 1 USD = Rs.50.73 as on March 31, 2009
 1 USD = Rs.46.53 as on December 31, 2009

Throughout this Red Herring Prospectus, currency figures have been expressed in ‘million / Mn. / Millions’ except those, which have been reproduced / extracted from sources as specified at the respective places.

Industry and Market Data

Unless stated otherwise, industry data/ market data used in this Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry data/ market data used in this Red Herring Prospectus is reliable, it has not

been verified by any independent source. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

Further, the extent to which the market and industry data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result in”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition or other factors affecting the industry segments in which our Company operates;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans including those for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved.
- Market fluctuations and industry dynamics beyond our control; and
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;

For a further discussion of factors that could cause our actual results to differ, please refer to the chapter titled “*Risk Factors*” beginning on page xii of this Red Herring Prospectus and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 58 and 177 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the BSE and NSE.

SECTION II – RISK FACTORS

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapter titled “*Our Business*” beginning on page 58 of this Red Herring Prospectus and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 177 of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the chapter titled “*Financial Statements*” on page 145 of this Red Herring Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

Any of the following risks as well as other risks and uncertainties discussed in this Red Herring Prospectus could have a material adverse impact on our business, financial condition and results of our operation and could cause the trading price of our Equity Shares to decline which could result in the loss of all or part of your investment.

This Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus.

These risks are not the only ones that we face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impacts in future.

INTERNAL RISK FACTORS

Risks related to our Company, our Business and our Industry

1. *There are legal proceedings currently outstanding involving our Company, our Promoters, our Directors, our Group Companies and our Subsidiaries. Any adverse decision may render us liable to liabilities/penalties and may adversely affect our business, results of operations and profitability.*

There are legal proceedings currently outstanding involving our Company, one of our Directors, our Group Companies and one of our Joint Venture. Our Company is involved in certain legal proceedings and claims in relation to certain civil, labour, criminal and taxation matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us liable to liabilities/penalties and may adversely affect our business, results of operations and profitability. A summary of these legal and other proceedings involving our Company, one of our Directors, our Group Companies and one of our Joint Venture is given in the following table:

(Amount in Rupees Million)

Type of Proceedings	Number of cases	Amount to the extent quantifiable (Rs. in million)
Cases filed against our Company		
Money Recovery and other Civil Suit	2	0.97
Potential litigation	9	0.93
TOTAL	11	1.90
Cases filed by our Company		

Tax Cases	1	1.90
Money Recovery and other Civil Suit	3	Not Quantifiable
TOTAL	4	Not Quantifiable
Cases filed against our Directors		
Criminal Proceedings	1	Not Quantifiable
Civil Proceedings	3	Not Quantifiable
TOTAL	4	Not Quantifiable
Cases filed by our Directors		
NIL	NIL	NIL
Cases filed against our Promoters		
Criminal Proceedings	1	Not Quantifiable
Civil Proceedings	2	Not Quantifiable
TOTAL	3	Not Quantifiable
Cases filed by our Promoters		
Nil	Nil	Nil
Cases filed against our Group Companies		
Criminal Cases	1	Not Quantifiable
Consumer Cases	1	0.8
Potential Litigation	4	Not Quantifiable
TOTAL	6	Not Quantifiable
Cases filed by our Group Companies		
Criminal Cases	11	0.86
TOTAL	11	0.86
Cases filed against our Joint Ventures and Associate Companies		
Tax Cases	1	3.63
TOTAL	1	3.63
Cases filed against our Joint Ventures and Associate Companies		
Nil	Nil	Nil

Two of the premises taken by us on a lease basis from where we used to operate our health clubs i.e. health clubs in Belgaum, and Kormangalla, Bangalore and two of the health clubs operating from the premises taken on lease basis in Banjara Hills, Hyderabad and Salt Lake, Kolkata, are the subject matter of our material litigations. In the event of any unfavourable decision / order / judgment passed by the courts / relevant authorities, our Company may have to vacate these premises, which may adversely affect our business, results of operations and profitability.

For further details on the outstanding litigations pertaining to our Company, Directors, Promoters, Group Companies, Joint Ventures and Associate Company please refer to chapter titles “*Outstanding Litigation, Material Developments and Other Disclosures*” beginning on page 195 of this Red Herring Prospectus.

2. ***Our Contingent Liabilities could adversely affect our financial condition.***

We have not provided for certain Contingent Liabilities as on December 31, 2009, which if materialise could adversely affect our financial position. Our Contingent Liabilities as on December 31, 2009 is as follows:

(Amount in Rupees Million)

Particulars	As on December 31, 2009
a. Income Tax Demands (net of amount paid in protest)	1.90
b. Bank Guarantee given on behalf of Joint Ventures	123.40
c. Claim from a landlord, appeal pending before the Judiciary	Not ascertainable*
d. Claim by Advertising Agency [#]	0.66

*For further details please refer the chapter titled “*Outstanding Litigations, Material Developments and Other Disclosures*” on page 195 of this Red Herring Prospectus.

8800 GBP @Rs.75.03 (rate as on 31.12.2009); for further details please refer the chapter titled “Outstanding Litigations, Material Developments and Other Disclosures” on page 195 of this Red Herring Prospectus.

Please refer to Annexure XIII forming part of the chapter titled “Financial Statements” beginning on page 145 of this Red Herring Prospectus.

3. Our Company had negative cash flows in recent fiscals.

(Amount in Rupees Million)

Particulars	Period Ended December 31, 2009	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Net cash from /(used in) Operating Activities	101.76	221.02	124.80	30.97
Net cash from /(used in) Investing Activities	(206.01)	(355.17)	(272.44)	(121.32)
Net cash from /(used in) Financing Activities	186.53	120.98	156.71	91.80
Net increase in Cash & Cash Equivalents	82.28	(13.17)	9.07	1.44

We had negative cash flows from / (used in) Investing Activities for the prior years. This has been primarily due to addition to fixed assets of Rs.106.65 million in fiscal 2007, Rs.272.60 million in fiscal 2008, Rs.366.65 million in fiscal 2009 and Rs.205.94 million for the period ended December 31, 2009. We have grown over 70% with regards to addition of owned health clubs in the last three fiscals. Our cash and cash equivalents have been negative for the fiscal 2009 despite positive cash flows from both operating and financing activities due to significant investment in fixed assets pertaining to our additional health clubs.

For further details please refer to Annexure III forming part of the chapter titled “Financial Statements” beginning on page 145 of this Red Herring Prospectus.

4. We have in the past entered into related party transactions and may continue to do so in the future.

We have, in the course of our business, entered into transactions with related parties that include entities forming part of our Promoter Group. The cumulative figure of related party transactions for the last five financial years ending March 31, 2005, 2006, 2007, 2008 and 2009 and for the nine months period ended December 31, 2009 is as follows:

(Amount in Rupees Million)

Particulars	For the Financial Year / Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Revenue Items	2.91	41.75	3.61	0.57	0.81	-
Expenses Items	6.51	8.02	2.87	(0.49)	1.10	0.11
Interest on Unsecured Loans	22.81	21.24	11.15	5.25	5.84	4.93
Director's Remuneration	14.29	23.50	17.29	10.52	7.13	4.68
Transfer of Members Fees	(0.21)	(0.19)	(0.15)	-	(0.03)	-
Purchase consideration for takeover of Business	-	19.50	42.50	-	-	-
Investments incl. Share Application Money	0.07	25.98	-	15.00	-	-
Loans repaid/ (taken) Net	10.38	(128.68)	(48.87)	(42.46)	4.98	(11.91)
Loans & Advances (given)/ repaid Net	(0.63)	(0.32)	1.21	(0.00)	0.03	(0.12)
Deposits and Advances paid	0.37	(8.99)	(18.50)	33.09	0.50	-
Total	56.49	1.80	11.10	21.48	20.36	(2.31)

While we believe that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further details please refer to Annexure VII forming part of the chapter titled “Financial Statements” beginning on page 145 of this Red Herring Prospectus.

5. *Our Joint Ventures and an Associate Company have incurred losses and our Joint Ventures have negative Net Worth in the past.*

(Amount in Rupees Million)

Name of Entities	Profit/(Loss) for the year ended March 31,		
	2009	2008	2007
Talwalkars Pantaloon Fitness Private Limited	(18.72)	(15.23)	0.10
Denovo Enterprises Private Limited	2.47	(0.13)	1.28
Equinox Wellness Private Limited	0.05	(0.26)	0.37

(Amount in Rupees Million)

Name of Entities	Net Worth as on March 31,		
	2009	2008	2007
Talwalkars Pantaloon Fitness Private Limited	(13.86)	4.86	20.08
Denovo Enterprises Private Limited	13.62	(11.15)	11.28

6. *10 of our Group Companies have incurred losses and 3 of our Group Companies had negative Net Worth in the past.*

(Amount in Rupees Million)

Name of Group Companies	Profit/(Loss) for the year ended March 31,		
	2009	2008	2007
Life Fitness India Private Limited	(0.14)	(1.18)	(2.63)
Talwalkar Omnifitness Private Limited	(0.90)	0.34	(0.006)
Better Value Restaurants Private Limited	0.72	(0.86) ¹	NA
Brainworks Learning Systems Private Limited	(15.90) ²	NA	NA
Vakratund Land Developers Private Limited	(0.03)	(0.03)	(0.03)
Better Value Brands Private Limited	(0.74)	(0.34) ³	NA
Popular Institute of Art Private Limited	0.55	(0.03) ⁴	NA
Indian Cookery.com Private Limited	(2.89)	(3.03)	(1.86)
Popular Educational Enterprise Private Limited	0.23	(0.07)	(0.03)
R2 Infrastructure Private Limited	(0.003) ⁵	NA	NA

¹ from the date of incorporation i.e. June 9, 2007; ² from the date of incorporation i.e. January 9, 2008; ³ from the date of incorporation i.e. March 13, 2007; ⁴ from the date of incorporation i.e. September 12, 2007; ⁵ from the date of incorporation i.e. October 13, 2008.

(Amount in Rupees Million)

Name of Group Companies	Net Worth as on March 31,		
	2009	2008	2007
Pinnacle Fitness Private Limited	1.49	(1.52)	(5.78)
Popular Institute of Art Private Limited	9.82	(0.66)	NA
Indian Cookery.com Private Limited	(9.60)	(6.71)	(3.68)

7. *There exists a Group which owns and operates gyms under the same or similar name and which can claim the history of our brand. Further, any deficiency in the quality of services, equipments, training, etc. provided by these gyms may adversely affect our brand image and thereby our business and our results of operations / financial condition.*

There exists a Group, controlled by Mr. Rahul Talwalkar, Mr. Rohit Talwalkar and Mr. Amber Talwalkar all being nephew of Mr. Madhukar Vishnu Talwalkar and cousins of Mr. Girish Madhukar Talwalkar and Mr. Prashant Sudhakar Talwalkar, which is engaged in the business of operating gymnasiums under the company "Talwalkars Fitness Solutions Private Limited" (TF SPL). They are operating their 13 gymnasiums at locations namely Mumbai, Baroda, Ahmedabad, Raigad, Thane and Nasik.

Since the operations of this Group and the Talwalkar Group were / are independent to each other there has not been any separation agreement / understanding between them. Though, since our incorporation till the year 2005 we had been using the same logo used by this Group, our currently used trademark and tradename are registered with us. This Group owns and operates gyms under the same or similar name and which can claim the history of our brand.

As on date of this Red Herring Prospectus, our Company has not signed any non-compete or such other agreement / document with this Group and they may expand their business in the future that may compete with us. The interests of this Group may conflict with our Company's interests. Further, any deficiency in the quality of services, equipments, training, etc. provided by this Group through their gyms may adversely affect our brand image as they operate under the same or similar name and thereby affecting our business and our results of operations / financial condition.

- 8. *There are 11 gyms operating under our registered tradename "Talwalkars" which are owned and operated by our group companies. Any deficiency in the quality of services, equipments, training, etc. provided by these gyms may adversely affect our brand image and thereby our business and our results of operations / financial condition.***

There are 11 gyms operating under our registered brand 'Talwalkars' which are owned and operated by our Group Companies / entities. Of these 7 gyms are held by three of our Promoter-Directors Madhukar Vishnu Talwalkar, Mr. Girish Madhukar Talwalkar and Mr. Prashant Sudhakar Talwalkar through their proprietary undertakings and partnership firms. The operations of these gyms conflicts with the operations of our business. The other 4 gyms are held by Life Fitness India Private Limited, in which Mr. Madhukar Vishnu Talwalkar jointly with his wife holds 50% of its outstanding equity share capital as on the date of this Red Herring Prospectus.

However, as agreed with our Company, except for these 11 operating gyms, the business of all gymnasias and health/fitness centres, in which promoters have a direct or indirect business involvement is to be carried out by the promoters exclusively through us.

For further details please refer to paragraphs titled "*Interest of Directors*", "*Common Pursuits*" and "*Interest of Promoters in our Company*" beginning on pages 96, 109 and 109 respectively of this Red Herring Prospectus.

We believe the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name recognition, enhance our competitiveness and otherwise support our business goals and objectives.

We entered into Trademark License Agreements, to provide the usage of the brand name "Talwalkars" by these 11 gyms by sharing the relevant marketing, promotion and advertisement expenses with us. Any advertising / marketing / brand building by us takes place in three levels viz. national level, city level and locally. As per the terms of these agreements there is no time period binding on the parties to these agreements. Further, these agreements may be terminated on occurrence of "Bankruptcy" with respect to Licensee, his failure to perform in accordance with any of the material terms and condition and / or his breach of any material representation or warranty made in these agreements.

The usage of our registered brand by these 11 gyms may adversely affect our brand image and thereby our business and our results of operations / financial condition. This may be due to any reason including deficiency in the quality of services, equipments, training, etc. provided by these gyms which are beyond our control.

For further details on the Trademark Licence Agreements please refer paragraph titled "*Intellectual Property*" beginning on page 67 of this Red Herring Prospectus.

- 9. *Our funds requirements are based on internal management estimates and on the basis of quotations obtained, wherever possible, and have not been appraised by any bank or financial institution. Any increase in the actual deployment of funds may cause an additional burden on our finance plans. We have not entered into definitive agreements to utilize our Issue proceeds.***

We intend to utilize part of the Issue Proceeds, i.e. Rs.502.2 Mn for our expansion plans whereby we propose to add 27 health clubs during the fiscal 2011. These fund requirements are based on internal management estimates and on the basis of quotations obtained, wherever possible, and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, etc. With increase in costs, our actual deployment of funds may exceed our estimates and may cause us an additional burden on our finance plans. As on the date of this Red Herring Prospectus, neither we have entered into any definitive agreements for this Object nor have we incurred any expenses towards the same. For further details please refer to chapter titled "*Objects of the Issue*" beginning on page 33 of this Red Herring Prospectus.

- 10. *We intend to utilize [●] % of the net proceeds of the Issue to repay certain loans we borrowed from our Group Companies.***

We intend to utilize [●] % of the Issue Proceeds towards repaying certain loans taken from our Group Companies, the details of which are given below:

Name of the Lending Entity	Principal loan Amount (in Rs. Million)	Outstanding loan Amount as on Mar. 15, 2010 (in Rs. Million)	Outstanding loan Amount as on Nov. 17, 2009 (in Rs. Million)	Date of origination of loan	Loan Period	Repayable By	Applicable rate of interest for Fiscal 2010 [@]
Better Value Leasing And Finance Limited*	120.00	97.08	82.14	June 1, 2003	87 Months	August 31, 2010	14.75%
Gawande Consultants Private Limited*	50.00	36.13	24.66	June 1, 2003	87 Months	August 31, 2010	14.75%
Popular Prakashan Private Limited [§]	60.00	53.05	50.12	April 1, 2006	5 Years	March 31, 2011	14.75%
Total	230.00	186.26	156.92				

[@]12% p.a. or UTI Bank's BPLR (i.e. now Axis Bank's BPLR), whichever is higher.

*for the purpose of the business of the Company or other matters beneficial to the business of the Company including rollout of gyms and related infrastructure.

[§]for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.

We have raised these loans as Inter Corporate Deposits to our Group Companies, under which we are allowed to prepay them. We believe our repayment of interest bearing debt will help us to reduce our 'Interest and Finance Charges' and will improve our net earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards newer opportunities that we may identify.

We cannot assure that we will not continue to undertake financial obligations from our Group Companies in the future or that they will not impose restrictive conditions in relation to the amounts that has already been borrowed or is to be borrowed in the future. For further details please refer to chapter titled "*Objects of the Issue*" beginning on page 33 of this Red Herring Prospectus.

11. Our indebtedness and the conditions and restrictions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations.

We have an aggregate outstanding of Rs. 625.82 million as on March 15, 2010 as secured loans from Union Bank of India. These loans are secured by way of mortgage of fixed assets and hypothecation of current assets. In case we are not able to pay our dues in time, the same may adversely impact our result of operations. Further, we are subject to usual and customary restrictive covenants in agreement that we have entered into with Union Bank of India. These restrictive covenants are as follows:

1. Our Company shall not be reconstituted without the Bank's prior approval and otherwise the bank shall reserve the right to continue the limit(s) to our reconstituted Company depending on the merits of the case;
2. Our Company shall not declare dividend without prior consent of Bank; and
3. No inter-transfer of funds within the group, except for genuine trade transaction.

For further details, please refer to chapter titled "*Financial Indebtedness*" beginning on page 190 of this Red Herring Prospectus.

12. One of our promoters has pecuniary or equity interests in other companies that offer services that are related to our business, which may create conflicts of interest.

Our promoter and our Executive Chairman, Mr. Madhukar Vishnu Talwalkar, have pecuniary or equity interests in other companies that offer services that are related to our business.

As agreed with our Company, 80% of the franchise fee of Equinox Wellness Private Limited, in which Denovo Enterprises Private Limited, one of our joint venture companies, is holding 66.66% of the outstanding equity share capital

as on the date of this Red Herring Prospectus, is remitted by our Company to Talwalkars Omnifitness Private Limited, the 100% equity of which is held by Mr. Madhukar Vishnu Talwalkar, our Promoter Executive Chairman and Mr. Girish Madhukar Talwalkar, our Promoter Director along with their spouses. Further, it is also agreed that our Company will remit 100% of the franchisee fee of our franchised health club operating in Vashi and 80% of the franchisee fee of two of our franchised health clubs operating in Nagpur to this company. Mr. Madhukar Vishnu Talwalkar also holds approx.17.5% in the equity of Pinnacle Fitness Private Limited, one of our franchisee operating two health clubs in NCR, through the shareholding of Life Fitness India Private Limited. Besides, Mr. Madhukar Vishnu Talwalkar is one of the directors in the Board of Pinnacle Fitness Private Limited and Life Fitness India Private Limited.

Besides there are entities namely a proprietary concern, Talwalkars Nutrition Centre and a partnership firm Fitness India Investments, owned by our Promoters, which may have business conflicting with ours. Further, there are entities namely Talwalkars Omnifitness Private Limited and partnership concerns i.e. M/s. Club Business Systems and Talwalkars Health Commune which pursuant to our acquiring their businesses still exist with an object conflicting with ours.

Further, there could be possibilities where business opportunities which could be available to us may be directed to these affiliated companies instead. Thus, there exists conflict of interest with our promoters to that extent. For further details please refer to paragraphs titled “Interest of Directors” and “Interest of Promoters in our Company” beginning on pages 96 and 109 respectively of this Red Herring Prospectus.

13. We have in the last 12 months, issued Equity Shares at a price that could be lower than the Issue Price.

We have issued 291,339 equity shares of Rs.10/- each at a premium of Rs. 625/- per share (based on several valuation parameters including EBITDA and PAT price earning multiples) on October 5, 2009 for our existing expansion plans of 20 additional health clubs during the fiscal 2010. This price (after adjusting the issuance of Bonus on November 16, 2009 against these shares) i.e. Rs.79.38 per share, may be lower than the issue price at which the proposed public offering is to be made. We also issued 15,807,463 fully paid up equity shares of the face value of Rs.10/- each as bonus in the ratio of 7 fully paid up equity shares for every 1 fully paid up equity shares held on November 16, 2009. Besides these, we have in the last 12 months, not issued Equity Shares at a price that could be lower than the Issue Price. For details, please refer to the chapter titled “Capital Structure” beginning on page 15 of this Red Herring Prospectus.

14. The Promoters and Promoter Group will hold a majority of our Equity Shares after the Issue and can therefore determine the outcome of shareholder voting and influence our operations

After the completion of this Issue, our Promoters and Promoter Group will collectively hold approximately 59.49 % of the post Issue paid up capital of the Company. Consequently, they will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be passed with a majority shareholder vote. In addition, the Promoters have the ability to block any resolution by our shareholders, including the alterations of the Articles of Association, issuance of additional shares of capital stock, commencement of any new line of business and similar significant matters. The Promoters will be able to control most matters affecting us, including the appointment and removal of officers, our business strategies and policies, dividend payouts and capital structure and financing, delay or prevent a change in our control, impede a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us even if such action was in the best interests of the Shareholders as a whole.

The Promoters will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares.

15. We have capital commitments to our joint ventures and any failure in performance, financial or otherwise, of any of our joint ventures in which we have made investment could have a material adverse effect on our reputation, business, prospects, financial condition and results of operations of our Company.

Our Company has made and may continue to make investments and other commitments towards our joint ventures for augmenting their respective businesses. These investments and commitments may include capital contributions to enhance the financial condition or liquidity position of these joint ventures. Our Company may make capital investments in the future, which may be financed through additional debt. If the business and operations of these joint ventures deteriorate, our Company’s investments may be required to be written down or written off. The aggregate value of investments made by our Company to our joint ventures as on December 31, 2009 is as follows:

(Amount in Rupees Million)

Particulars	As on December 31, 2009
Talwalkars Pantaloon Fitness Private Limited	10
Denovo Enterprises Private Limited	5

During the period ended December 31, 2009 we had given advances of Rs. 2.18million to Talwalkars Pantaloon Fitness Private Limited and the outstanding amount from them as on December 31, 2009 was Rs. 3.35 million. Further, we have paid share application money to Aspire Fitness Private Limited of Rs. 0.02 million on December 31, 2009. Such advances which we have given in the past / further investments made may also not be repaid or may need to be restructured in the future.

16. *There can be delay in the schedule of rollout of the health clubs for which the funds are being raised in this Issue. This may affect our financial condition and results of operation.*

We have expansion plans of adding 27 health clubs during the fiscal 2011 for which funds are being raised from this Issue. As on the date of this Red Herring Prospectus, we have not initiated any activities towards this Object of the Issue and there can be a possibility of us in delaying the schedule of rollout of the health clubs. Normally, there is a lead time involved in rollout of a health club that may extend upto 16 weeks after the planning phase which involves finalisation of the location. We will have to identify suitable locations to open and operate the proposed health clubs. If we are not able to identify a suitable location within the time and place that we desire or at all and considering the time schedule required for rollout, we cannot guarantee that all the 27 health clubs will be rolled out in the fiscal 2011. This may affect our financial condition and results of operation.

17. *The utilisation of our Issue proceeds will not be monitored by any external, independent or a Monitoring Agency but through our Board of Directors.*

There will be no external, independent or a Monitoring Agency which would monitor the utilization of our Issue proceeds. However, our Board will monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilisation of the Issue proceeds, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclose as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the listing agreement.

18. *There are 2 trademark applications pending with the Trademark office for registration, including our new corporate logo. Our success depends on our trademarks and proprietary rights and any failure to protect our intellectual property rights may adversely affect our competitive position.*

Our Company's business might be affected due to our inability to protect our existing and future intellectual property rights. We own intellectual property rights, in particular, trademarks, which are fundamental to our brand, which gives us a competitive advantage. We use our intellectual property rights to promote and protect the goodwill of our brand, enhance our competitiveness and otherwise support our business goals and objectives.

As on the date of this Red Herring Prospectus, 2 of our marks are pending registration and renewals under various classes of the Trademarks Act, 1999. We have made an application for registration with the Trademarks Registrar of our new corporate logo. Any delay or refusal to register these trademarks could adversely affect our business. We cannot guarantee that all the pending applications will be decided in the favour of our Company. If any of our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. For more details please refer to the paragraph titled "Intellectual Property" beginning on page 67 of this Red Herring Prospectus.

19. *There are 52 approvals and licenses which we are yet to receive, of which 30 we have applied for and 22 we are in the process of applying. Non issuance or non renewal of the said approvals and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition*

We require applicable statutory and regulatory approvals, licenses, registrations and permissions to operate our business, some of which our Company has either received, applied for or is in the process of application. Such approvals, licenses, registrations and permits may be granted for a fixed period of time. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition.

Following is the list of licences which are applied for:

Sr. No.	Particulars
	Gymnasium, Paldi, Gujarat

1.	Application dated March 10, 2010 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Paldi, Ahmedabad.
Gymnasium, Navrangpura, Gujarat	
2.	Application dated March 10, 2010 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Navrangpura, Ahmedabad.
Gymnasium, Bodhakdev, Ahmedabad	
3.	Application dated March 10, 2010 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Bodakdev, Ahmedabad.
Gymnasium, Himayat Nagar, Hyderabad	
4.	Application dated March 30, 2010 made for the Registration under the Contract Labour (Regulation and Abolition Act), 1970
5.	Application dated March 30, 2010 made to Government of Andhra Pradesh for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Banjara Hills, Hyderabad.
6.	Application dated March 31, 2010 made to Bruhat Bangalore Mahanagar Palika, Bangalore for renewal of Trade licence certificate bearing no. 01/2009-10 dated April 30, 2009 issued by Commissioner Bruhan, Bangalore Mahanagar Palika, Bangalore for carrying on gym and fitness trade at Ulsoor, Bangalore.
7.	Application dated March 22, 2010 Bruhat Bangalore Mahanagar Palika, Bangalore for renewal of Trade licence bearing no. HI/PR-21/09-10, issued by Commissioner Bruhat Bangalore Mahanagar Palika, Bangalore, to our gymnasium at J. P Nagar, Bangalore.
Gymnasium, Sadashivnagar, Bangalore	
8.	Application dated March 20, 2010 made to Bruhat Bangalore Mahanagar Palika, Bangalore for renewal of Trade licence bearing no. HI/PR-21/09-10, issued by Commissioner Bruhat Bangalore Mahanagar Palika, Bangalore, to our gymnasium at Sadashivnagar, Bangalore.
9.	Application dated April 03, 2010 made to the Cochin Municipal Corporation for our health club in Cochin under the Kerala Shops and Establishments Act, 1960.
10.	Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at T. Nagar, Chennai.
11.	Application dated March 30, 2010 made to Assistanat Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Alwarpet, Chennai.
Gymnasium, Annanagar, Chennai	
12.	Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Annanager, Chennai.
Gymnasium, Nungumbakkam, Chennai	
13.	Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Numgumbakkam, Chennai.
Gymnasium, Mysore	
14.	Application dated April 03, 2010 Mysore Citi Corporation (Health Department), Mysore for renewal of Trade licence bearing no. 140, issued by, to our gymnasium at Mysore.
Gymnasium, Salt Lake City, Kolkata	
15.	Application dated December 17, 2009 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Salt Lake City, Kolkata.
16.	Application dated March 22, 2010 made to Bruhat Bangalore Mahanagar Palike for renewal of Trade licence certificate bearing no. 2531/2008-09 dated February 25, 2009 issued by Health Department, Jayanagar Bangalore for carrying on gym and fitness trade.
Gymnasium, Jubilee Hills, Hyderabad	
17.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jubilee Hills, for performing all musical and literary works.
18.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jubilee Hills to perform all sound recording controlled by Phonographic Performance Limited.
Gymnasium, Kukatpally, Hyderabad	
19.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Kukatpally, for performing all musical and literary works.
20.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Kukatpally to perform all sound recording controlled by Phonographic Performance Limited.
Gymnasium, Jodhpur, Rajasthan	

21.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jodhpur, for performing all musical and literary works.
22.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jodhpur to perform all sound recording controlled by Phonographic Performance Limited.
Gymnasium, Jabalpur, Madhya Pradesh	
23.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jabalpur, for performing all musical and literary works.
24.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jabalpur to perform all sound recording controlled by Phonographic Performance Limited.
Gymnasium, Jalandhar, Punjab	
25.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jalandhar, for performing all musical and literary works.
26.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jalandhar to perform all sound recording controlled by Phonographic Performance Limited.
Gymnasium, Kalyan, Maharashtra	
27.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Kalyan, for performing all musical and literary works.
28.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Kalyan to perform all sound recording controlled by Phonographic Performance Limited.
Gymnasium, Varanasi, Uttar Pradesh	
29.	Application for licence to The Indian Performing Right Society Limited to our gymnasium at Varanasi, for performing all musical and literary works.
30.	Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Varanasi to perform all sound recording controlled by Phonographic Performance Limited.

Following is the list of the licences yet to be applied for:

Sr. No.	Particulars
1.	Application to be made under the Andhra Pradesh Shops and Establishments Act, 1988 for our gymnasium at Jubilee Hills, Hyderabad.
2.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jubilee Hills, Hyderabad.
3.	Application for trade licence for our gymnasium situated at Jubilee Hills
4.	Application to be made under the Andhra Pradesh Shops and Establishments Act, 1988 for our gymnasium at Kukatpally, Hyderabad.
5.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Kukatpally, Hyderabad.
6.	Application for trade licence for our gymnasium situated at Kukatpally.
7.	Application to be made under the Rajasthan Shops and Commercial Establishment Act, 1958 for the gymnasium situated at Jodhpur, Rajasthan.
8.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jodhpur, Rajasthan.
9.	Application to be made under the Madhya Pradesh Shops and Establishments Act, 1954 for the gymnasium situated at Jabalpur, Madhya Pradesh.
10.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jabalpur, Madhya Pradesh.
11.	Application to be made under the Punjab Shops and Commercial Establishments Act, 1958 for the gymnasium situated at Jalandhar, Punjab.
12.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jalandhar, Punjab
13.	Application to be made under the Bombay Shops and Establishments Act, 1948 for the gymnasium situated at Kalyan, Maharashtra.
14.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Kalyan, Maharashtra.
15.	Application to be made under the Uttar Pradesh Shops and Commercial Establishments Act, 1962 for the gymnasium situated at Varanasi, Uttar Pradesh.
16.	Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Varanasi, Uttar Pradesh.
17.	Application to be made for renewal of certificate bearing no.1019987, dated April 08, 2009, issued by Dist. Inspector of Legal Metrology, Vijayawada, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged

	Commodities) Rules, 1977.
18.	Application to be made to Greater Hyderabad Municipal Corporation for renewal of Trade licence bearing no. 055-325-0141, issued by Greater Hyderabad Municipal Corporation, to our gymnasium at Banjara Hills, Hyderabad.
19.	Application to be made for renewal of Trade licence bearing no. 034-325-0136, issued by Greater Hyderabad Municipal Corporation, to our gymnasium at Himayat Nagar, Hyderabad.
20.	Application to be made for renewal of Trade licence, to be issued by Municipal Corporation of Hyderabad, to our gymnasium at Secunderabad.
21.	Application to be made for renewal under the Punjab Shops and Commercial Establishment Act, 1958, for the gymnasium situated at Amritsar.
22.	Application to be made for renewal of Trade License, to be issued by Bidhannagar Municipality, Kolkotta, to our gymnasium at Salt Lake City, Kolkotta.

Please refer the chapter titled “Government and Other Approvals” beginning on page 211 of this Red Herring Prospectus for further details.

20. Our registered office premises and premises from where we operate our health clubs are not owned by us. The lease / leave and licence agreements for some of our premises from where we operate our health clubs are not registered and in case of any disputes, the same can be challenged in the court of law. Further, we may not be able to renew these agreements in terms favourable to us or at all.

We do not own the premises on which we have our current registered office and from where we operate our health clubs. Our registered office is owned by Gawande Consultants Private Limited, one of our Group Company in which Mr. Vinayak Gawande and Mr. Anant Gawande directly, indirectly and collectively hold 99.83% of its outstanding equity share capital as on the date of this Red Herring Prospectus. We have an arrangement with Gawande Consultants Private Limited allowing the usage of this premise for a period of 12 months commencing from April 02, 2010 as our registered office.

We operate all our health clubs from leased premises except for our health clubs in Bandra and Mulund, both in Mumbai. The lease / leave and licence agreements for some of our premises are not registered. In the event our Company faces litigation pertaining to these properties, these lease / leave and licence agreements may be challenged in the court of law.

Besides, the lease agreements for all these premises are renewable on mutual consent upon payment of such rates as stated in these agreements. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

There are two premises taken by us on a lease basis from where we used to operate our health clubs i.e. health clubs in Belgaum, and Kormangalla, Bangalore and two of the health clubs operating from the premises taken on lease basis in Banjara Hills, Hyderabad and Salt Lake, Kolkata, which are the subject matter of our material litigations. For further details on all of our leased premises please refer to paragraph titled “Our Properties” beginning on page 68 of this Red Herring Prospectus. For details on litigations please refer to the chapter titled “Outstanding Litigation, Material Developments and Other Disclosures” beginning on page 195 of this Red Herring Prospectus.

21. Two of the premises from where we operate our health clubs are taken on ‘lease and license basis’ from our Promoter and one of our Group Companies in which promoters being majority shareholders, the terms of the lease agreement may not be favourable to the company.

The premise in Sangli, from where we operate our health club, is taken on ‘lease and license basis’ from Mr. Prashant Talwalkar, our promoter Managing Director, for the monthly license fee of Rs. 0.14 million (as applicable on the date of this Red Herring Prospectus). The license period for this commercial space admeasuring 6,600 sq. ft. carpet area is till April 30, 2013. Likewise, we operate our health club from the premise in Ulsoor Road, Bengalooru, which is again taken on ‘lease and license basis’, from Better Value Properties Private Limited, one of our Group Companies. Our promoter directors, viz., Mr. Vinayak Gawande, Mr. Anant Gawande and Mr. Harsha Bhatkal collectively holds 83.19% in Better Value Brands Private Limited, 100% holding company of Better Value Properties Private Limited, as on the date of this Red Herring Prospectus. The monthly license fee for this commercial space admeasuring 534.56 sq. mts. is Rs. 0.43 million (as applicable on the date of this Red Herring Prospectus) and the license period is till March 31, 2013.

Our promoters are, thus, further interested in our company to that extent. For further details please refer to paragraphs titled “Interest of Directors” and “Interest of Promoters in our Company” beginning on pages 96 and 109 respectively of this Red Herring Prospectus.

22. *Our growth will depend on our ability to sustain our brand and failure to do so will have a negative impact on our ability to compete in this industry.*

We believe that our brand is well recognised in the industry in which we operate. Continuing efforts towards building and sustaining our brand will be critical for the recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to back that with high quality services. Brand promotion activities may /may not result in incremental revenue, and even if they do, any incremental revenue may not offset the expenses we incur in building our brand. If we fail to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

23. *Our inability to manage our growth could disrupt our business and reduce our profitability.*

A principal component of our strategy is to continue growing by expanding the size and geographical scope of our business. Although we plan to continue to expand our scale of operations through organic growth and investments in other entities, there could be a possibility that we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit. Further, such growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls and more importantly adhering to quality and high standards that meet customer expectations. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

24. *We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. We have, in the past, relied on our Promoters and Group Companies to assist us in funding our expansion which may not necessarily be available in the future.*

We may require additional funds in connection with future business expansion and development initiatives. In addition to the net proceeds of this offering and our internally generated cash flow, we may need additional sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

We have historically depended on the financial assistance provided by our Promoters and our Group Companies in order to help fund our expansion plans, as well as improvements to our existing infrastructure and other business requirements. These financial assistances have been instrumental to our growth over the years and in procuring debt facilities from our bankers. However, the Promoters and the Group Companies may not commit to provide such forms of credit support on a going-forward basis. Although we expect that in the future such forms of credit support will be unnecessary in light of our improved liquidity due to the completion of the Issue, as well as increased income from operations as our existing business mature, we may be unable to obtain future funds from lenders on favorable terms or at all without such support, and without such support our expansion plans may be curtailed.

25. *The staffs in the health clubs we operate are either sourced from external agencies or services are obtained from professionals. We may fail to attract and retain enough sufficiently trained employees needed to support our operations and growth.*

In the health and fitness industry the success, to a significant extent, depends on one's ability to provide quality services to its customers on a continuous basis. To deliver this it is necessary to attract, hire, train and retain qualified employees. All the general trainers and operational managers in our health clubs are sourced from various agencies with which we have exclusive arrangement for sourcing the manpower. We also utilize the services of professionals for add-on services like spa, massage and personal training, etc. on revenue sharing basis. Thus, we may fail to attract and retain enough sufficiently trained employees needed to support our operations and growth else it could result in poor service quality and lead to a material adverse effect on our business, results of operations, financial condition and cash flows. Besides, there is significant need for professionals with skills necessary to perform the services we offer to our clients. We have a residential training academy at Thane, where all our potential gym staff undergoes intense six week training in soft skills and service delivery. We view this process as a necessary tool to maximize the performance of our employees. This, however, would increase our recruiting and training costs and decrease our operating and profit margins.

- 26. *Our success depends significantly upon our management team. Any inability on our part to attract and retain our key managerial personnel may adversely affect our business and results of operations. Further, our existing strength of management team may face limitation in managing growth in the future.***

We are highly dependent on our executive promoter directors and our key managerial personnel for our business. Our business model is reliant on the efforts and initiatives of our senior level management and our key managerial personnel. Our ability to successfully function and meet future business challenges depends on our ability to attract and retain them. Our future performance will depend upon the continued services of these persons. In this regard, we cannot assure you that we will be able to retain our skilled senior management or managerial personnel or continue to attract new talents in the future. Further, our existing strength of management team may face limitation in managing growth in the future which may materially and adversely impact our business and results of operations.

- 27. *We may face claims / liabilities / suits from our customers should they perceive any deficiency in service or in the event of bodily harm / injury to them while in our health clubs.***

We believe in providing quality customer service and due care is taken while providing services. We attempt to mitigate the associated risks which may happen due to factors beyond our control. However we may not be able to cover all such risks and may face financial liabilities or loss of reputation, in the event of accidents / mishaps in our health clubs. While we endeavour to take maximum possible precautions, any mishap, accident during physical training and work-outs, which may or may not lead to personal injuries, may take place due to factors which are beyond our control. Occurrence of such events may have an adverse implication on our business.

- 28. *We operate in a highly competitive and fragmented market***

We operate in a highly competitive market and face stiff competition from other players operating both in organized and un-organized sectors. Some foreign players have also entered the Indian market. Pricing is one of the factors that play an important role in our customers' selection of our services. There are several strategies adopted by our competitors to increase their market share i.e. through advertising, pricing, service and new product introductions among others. This increased competition by both traditional and new players may affect our margins. In order to protect our existing market share or capture market share, we may be required to increase expenditure for advertising and promotions and to introduce and establish new products. Due to inherent risks in the marketplace associated with advertising and new product introductions, including uncertainties about consumer response, increased expenditure may not prove successful in maintaining or enhancing our market share and could result in lower profitability.

Stiff competition from a variety of competitors in the organized and un-organised sectors adversely impacts our operations and profitability. For further details, please refer to the paragraph titled "*Competition*" beginning on page 77 of this Red Herring Prospectus.

Risks related to our Shareholders and Equity Shares

- 29. *Any future equity offerings or issues may lead to dilution of investor's shareholding in our Company.***

Purchasers of Equity Shares in this issue may experience dilution of their shareholding to the extent we make future equity offerings or issues.

- 30. *Our ability to pay dividends in future will depend upon future earnings, financial conditions, cash flows, working capital requirements and capital expenditures.***

Our Company has paid dividends in the past out of our earnings to its shareholders. The amount of our future dividend payments, if any, will depend upon our future earnings, financial conditions, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to continue paying dividends in future.

EXTERNAL RISK FACTORS

- 31. *You may not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.***

Our Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and the BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading

in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

Under the SEBI Regulations we are permitted to allot Equity Shares within fifteen days of the closure of the public issue. Consequently, the Equity Shares you purchase in the Issue may not be credited to your book or demat account, with Depository Participants until approximately fifteen days after the issuance of the Equity Shares. You can start trading in the Equity Shares only after they have been credited to your demat account and listing and trading permissions are received from the Stock Exchanges.

Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that the trading in Equity Shares will commence within the specified time periods.

32. *There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all.*

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The initial public offering price of the Equity Shares offered hereby will be determined through our negotiations with the BRLM and may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- adverse media reports about us or the travel or vacation ownership industry;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant clients;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime; and
- volatility in the Indian and global securities markets.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future.

33. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

34. *The market price of our Equity Shares may fluctuate due to the volatility of the Indian securities market.*

There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares. The Issue Price of the Equity Shares in this Issue will be determined by our Company in consultation with the BRLM, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. You may be unable to resell your Equity Shares at or above the Issue Price and, as a result, you may lose all or part of your investment. The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects. The market price of our Equity Shares may fluctuate due to the volatility of the Indian securities market and may be more volatile than the securities markets in other countries. Stock exchanges in India have, in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges in India have experienced problems, including broker defaults and settlement delays, which, if were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. In addition, the governing bodies of the various Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

35. *Our business and activities will be regulated by the Competition Act, 2002 as and when it is notified. It is unclear as to how the said Competition Act and Competition Commission of India will affect industries in India.*

The Competition Act, 2002 has been enacted for the purpose of preventing practices having an adverse effect on competition under the auspices of the Competition Commission of India. Under the said Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement inter alia which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. It is unclear as to how the said Competition Act and Competition Commission of India will affect industries in India.

36. *Hostilities with neighbouring countries and civil unrest in India may have material adverse impact on the market for securities in India.*

India has from time to time experienced instances of hostilities from neighbouring countries, including Pakistan and China. In recent years, military confrontations between India and Pakistan have occurred in Kashmir and along the India-Pakistan border, although the Governments of India and Pakistan have recently engaged in conciliatory efforts. Military activity or terrorist attacks like terror attacks on Mumbai in November 2008, in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Events of this nature in the future, as well as social and civil unrest, could influence the Indian economy and could have material adverse effect on the market for securities of Indian companies.

37. *Political, Economic and Social developments in India and acts of violence or war could adversely affect our business.*

Since 1991, the Government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The new Government that has been formed as a result of general elections in India consists of a coalition of political parties. Any change in the economic policies by the new Government could change specific laws and policies affecting mining companies, pace of deregulation, foreign investment, currency exchange rates and other matters which could adversely affect the investment in our Equity Shares. Acts of violence, terrorist activity or war could affect the industrial and commercial operations in the country create a perception that investments in Indian companies involve a higher degree of risk which could have a material adverse effect on the market for securities of Indian companies.

38. *A slowdown in economic growth in India and other unfavourable changes in political and economic factors may adversely affect our business and results of operations.*

All our business facilities are located in India. Our Company, the market price and liquidity of our Equity Shares, may be adversely affected by fluctuations in foreign exchange rates and controls, interest rates, changes in Government policy, taxation, social and civil unrest and other negative political developments like any abrupt change in the Central or any State Government wherever we have business interests, etc., economic developments like very high rate of inflation, slow down in growth, decrease in foreign investments, etc. or other developments in or affecting India. Particularly slow down in economic growth may make the Governments spend relatively less on agriculture and agricultural growth is also linked to overall economic growth, which may ultimately be unfavourable to the Company's business. During the past decade, the Government has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of Government and State Governments in the Indian economy in relation to producers, consumers and regulators has remained significant. It cannot be assured that the liberalization policies will continue in future. For example, because of the change in Central Government certain liberalization policies like disinvestment in public sector enterprises, capital account convertibility etc. have been put on hold. The Government may also pursue other policies which could have a material adverse effect on our business. The rate of economic liberalization could change, and specific laws and policies affecting our business, suppliers, foreign investment, currency exchange rates and other matters

affecting our business are also subject to change. A significant change in the Government's or Indian State Governments' economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business and financial condition and prospects in particular.

39. Any downgrading of India's debt rating by an international rating agency could have an unfavorable impact on our business.

Any adverse revisions to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

Prominent Notes

- Public Issue of 6,050,000 Equity Shares of Rs. 10/- each of our Company, for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) for cash aggregating to Rs. [•] million. The Issue will constitute 25.09 % of the fully diluted post issue paid-up capital of our Company.
- The Issue is being made through the 100% Book Building Process wherein atleast 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
- Under subscription, if any, in the Non-Institutional Portion or Retail Portion shall be allowed to be met with spillover from the other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price. In case of under subscription in the QIB Portion the same shall not be available to other categories and full subscription monies shall be refunded. ***The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.***
- Investors may note that in case of over subscription, if any, in the Issue allotment shall be made on proportionate basis to QIBs, Non-Institutional Bidders and Retail Individual Bidders and will be finalised by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
- The Net Worth of our Company, before the Issue (as per our restated financial statements as at December 31, 2009, March 31, 2009 and March 31, 2008) was Rs.392.38 million, Rs.170.76 million and Rs.116.51 million respectively, and the Book Value per Equity Share was Rs. 21.72, Rs. 10.85 and Rs. 7.40 per share respectively.
- The following table represents average cost of acquisition of Equity Shares by our Promoters as on date of this Red Herring Prospectus. For details please refer to the table titled "*Promoters Contribution and Lock-In*" beginning on page 18 under the chapter titled "*Capital Structure*" beginning on page 15 of this Red Herring Prospectus.

Sr. No.	Name of Promoter	Average Cost of Acquisition (Rs.)
1	Madhukar Vishnu Talwalkar	1.25
2	Prashant Sudhakar Talwalkar	2.12
3	Vinayak Ratnakar Gawande	2.55
4	Girish Madhukar Talwalkar	2.12
5	Harsha Ramdas Bhatkal	2.55
6	Anant Ratnakar Gawande	2.55

Note: The average cost of acquisition of Equity Shares by our Promoters has been computed by taking the weighted average cost and considering the bonus equity shares issued by us on November 16, 2009.

- Except, as disclosed in the chapter titled "*Capital Structure*" beginning on page 15 of this Red Herring Prospectus, neither our Promoters nor our Directors have purchased or sold any Equity Shares, during a period of six months preceding the date on which this Red Herring Prospectus is filed with SEBI.

8. Our Company has not issued any Equity Shares out of revaluation reserves. Our Company has not revalued its assets since inception.
9. Except as stated in the chapter titled “*Capital Structure*” beginning on page 15 of this Red Herring Prospectus, there has been no allotment of Equity Shares that may be at a price lower than the Issue Price within the last twelve (12) months from the date of this Red Herring Prospectus.
10. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 15 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
11. The Group companies are interested parties to the extent of the related party transactions. For the summarised details of transactions by our Company with our Group Companies during the last five financial years ending March 31, 2005, 2006, 2007, 2008 and 2009 and for the nine months period ended December 31, 2009, please refer to Risk Factor no. 4 beginning on page xiv of this Red Herring Prospectus and as disclosed in the chapter titled “*Financial Statements*” beginning on page 145 of this Red Herring Prospectus.
12. For interests of our Promoters, Directors and Key Managerial Personnel, please refer to chapters titled “*Our Promoters and Their Background*” and “*Our Management*” beginning on pages 106 and 89 respectively of this Red Herring Prospectus.
13. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 43 of this Red Herring Prospectus before making an investment in this Issue.
14. The notes on Significant Accounting Policies have been included in the report of our Auditors in the chapter titled “*Financial Statements*” beginning on page 145 of this Red Herring Prospectus.
15. For details pertaining to change in name of our Company and changes in Memorandum of Association of our Company please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page 80 of this Red Herring Prospectus.
16. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
17. None of our Promoter Group, Group Companies, Promoters, Directors and their relatives have entered into any financing arrangement or have financed the purchase of securities of our Company during the last six months prior to the date of filing of this Red Herring Prospectus.
18. We and the BRLM are obliged to keep this Red Herring Prospectus updated and inform the public of any material change / development until the listing and trading of the Equity Shares offered under the Issue commences.
19. Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner.
20. Investors may contact the Registrar to the Issue, the Compliance Officer of our Company or BRLM for any complaints / clarifications and information pertaining to the Issue. For contact details please refer to the chapter titled “*General Information*” beginning on page 7 of this Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

This is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information on “Risk Factors” and “Financial Statements” and related notes, beginning on pages xii and 145 respectively of this Red Herring Prospectus, before deciding to invest in our Equity Shares.

INDUSTRY OVERVIEW

The wellness services industry is a fast growing sector in India today. It encompasses a large number of service segments including beauty services (salon, treatment based beauty products), personal health counselling, rejuvenation (Yoga, Spas) and fitness segments. Within this, the Fitness segment, viz. Gyms, is experiencing healthy growth rates and currently has an estimated market size of USD 113mn. As of 2008, there are 765 fitness clubs in India with total membership of 0.23 million members. (Source: as per the statistics of The IHRSA Asia Pacific Market Report, 2008)

Indian fitness industry is a hugely underpenetrated market compared to several developed and developing countries in the world. For instance, 16.0% of the US population have fitness club membership compared to a mere 0.4% for Indian markets (taken for Top 7 cities). This is despite the fact that India has the highest incidence of diabetes people in the world pegged at 50.8 million people.

Presently, the fitness industry is in its nascent stages. The industry is fairly fragmented since the majority of the market appears to be dominated by a large number of mom-and-pop gyms. This high degree of fragmentation, lack of product differentiation, and customer price sensitivity result in prevalent price competition and low margins. The market also appears to have a shortage of talent, since qualified personal trainers, nutrition consultants and professional managers are scarce, which also contributes to the lack of differentiation.

Yet, on the other hand, awareness about fitness and a healthy lifestyle is growing; along with higher disposable incomes and a growing young population. India presents a huge opportunity for the health and fitness industry with over 80 towns having a population greater than 500,000.

OUR BUSINESS

We are one of the largest fitness chain in India (Source: as per the statistics of The IHRSA Asia Pacific Market Report, 2008) offering a diverse suite of services including gyms, spas, aerobics and health counseling under the brand “Talwalkars”. “Talwalkars” has pioneered the concept of gyms in India and today is a recognized name in the health and fitness industry.

The first gym was setup in the year 1932 by late Mr. Vishnu Talwalkar in Mumbai. Mr. Madhukar Talwalkar, eldest son of late Mr. Vishnu Talwalkar, carried on with the legacy and started his first gym in Bandra, Mumbai in the year 1962 by the name “Talwalkars Gymnasium”. Mr. Madhukar Talwalkar has been instrumental in creating the brand “Talwalkars” over the past several decades. Our Company, Talwalkars Better Value Fitness Limited, was co-promoted in the year 2003 by the Talwalkar Group and the Gawande Group with the object of developing “Talwalkars” brand as a leader in health clubs. Through the industry expertise of Mr. Madhukar Talwalkar and guidance of our co-promoters namely, Girish Talwalkar, Prashant Talwalkar, Vinayak Gawande, Anant Gawande and Harsha Bhatkal, we have enhanced our brand equity and pan-India presence. We have grown rapidly since our inception and, as on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities belonging to 12 states of the country serving over 55,000 members.

Our Competitive Strengths:

We believe that the following are our principal competitive strengths which have contributed to our current position in the industry:

- **Brand Equity**

Brand “Talwalkars” relates to the concept of gym in India. Late Mr. Vishnu Talwalkar, father of one of our promoters, Mr. Madhukar Talwalkar, had set up his first gym way back in 1932. Mr. Madhukar Talwalkar himself set up his first gym in Mumbai in 1962, over 45 years ago. We believe the long existence of our brand and the

strength of our brand equity enables us to stay ahead of the competition. Today, we are one of the largest fitness chains in India. Our brand “Talwalkars” known for consistent standardized quality offerings has a good brand recall which helps in breaking the competitive clutter within the industry.

- **Standardized and Quality Offering**

In an unorganized and fragmented service industry with a large untapped demand, we provide quality service consistently across all our locations. One of the key investments in a health club is the fitness equipments. We maintain high quality standards by procuring our equipments from reputed international manufacturers, viz., Precor from the US, Rebar from China etc. Several key issues such as flooring, air conditioners, generator back up, wet area designs, etc are bench marked to a model health club and quality guidelines followed. We buy all other balance equipments from reputed companies like Daikin (for Air Conditioners), Powerica (for Generator Sets), etc. Besides, we have a residential training academy at Thane where we offer a 4-6 weeks induction training period for our trainers. This ensures that all the health club staff is trained to offer the same kind of services across all our locations. We believe that this “consistency” factor in providing quality service gives us a substantial edge in this competitive and unorganized market.

- **Market Leadership**

We are one of the largest fitness chains in India as per the statistics of the IHRSA Asia Pacific Report, 2008. We have grown rapidly since our inception and, as on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities across the country serving over 55,000 members. Our Company has its roots in the vision of our Promoter, Mr. Madhukar Talwalkar, who is associated with this industry over the last four decades. Being a pioneer in the health and fitness industry, we enjoy a significant lead over our competitors. We believe that the above factors demonstrate our industry leading position which helps us by capitalizing it to attract potential members and grow our revenues.

- **Pan India Presence**

In a fragmented health and fitness industry, where the demand for quality services is high while the supply is largely unorganized (primarily from singly city operators) and non-standardized, we benefit immensely due to our pan India presence. Our Company has been able to achieve a country wide foot print, which we believe may be very difficult to replicate. We are currently present in 28 cities belonging to 12 states of the country from where we operate our 58 health clubs. And we believe our continuous expansion plans will enhance our brand visibility on pan India basis.

- **Promoters’ Experience and Expertise**

We have an experienced promoter director team steering the company. The Talwalkar Group has several decades of experience in the health and fitness industry. Mr. Madhukar Talwalkar has over 45 years of experience in operating a gym. He was the founder President of Greater Bombay Body Builders Association and is the current President of Maharashtra State Body Builders Federation. Similarly, his son Mr. Girish Talwalkar and nephew, Mr. Prashant Talwalkar both have also been associated with this industry for the last several years. The Gawande Group has vast experience in several areas of business including finance, marketing and legal. Our Company draws on this healthy blend of expertise to manage the challenges of growth effectively.

- **Proven Track Record**

Over the last seven years of our existence we have grown the number of our health clubs to reach 58 as on the date of filing this Red Herring Prospectus. In fact, we have almost tripled our number of health clubs in the last three years. Achieving these levels of growth we have proven our expertise to enhance our presence and continue to grow ourselves further from here broadening our member base and revenues.

Our Business Strategy:

We intend to pursue the following strategies in order to consolidate our position and grow further:

- **Geographic Spread and Penetration**

We have pan India presence through our 58 health clubs in 28 cities belonging to 12 states of the country. We continuously explore attractive business opportunities in potential locations in pursuit to enhance our geographic spread. We intend to increase our penetration in the country by setting up new health clubs in cities where we

already have presence, as also entering into new areas in the country. We have expanded our reach to several Tier I and Tier II cities and will continue entering newer markets to tap the opportunity strategically fit for us.

- **Expand Service Offerings**

We offer a diverse suite of services including gyms, spas, aerobics and health counseling under the brand “Talwalkars”. We constantly innovate our offerings viz., we have spa facilities in 10 of our health clubs, aerobics and spinning facility in 8 of our health clubs, etc. Additionally, we provide personal training program with dieticians working on weight management program, specialized fitness training programs and diet counseling. We believe in keeping pace with the current trends and overall customer satisfaction allowing us to attract more number of members and increase revenue potential from existing members.

- **Location Entry Strategy**

We follow one of the three strategies to enhance our presence i.e. either directly or through joint venture or through franchisee route. Our preferred strategy is to enter a new market on our own, however, we are also constantly in lookout for partnering with strong local players in cities we do not have a presence in. We currently own 44 out of our total of 58 health clubs as on the date of this Red Herring Prospectus. We believe in having a nimble attitude in our health club rollout strategy to ensure profitability of both owned as well as joint venture / franchised route.

- **Increasing Customer Satisfaction and our base of Members**

We believe that understanding the needs of our customers is of prime importance for the continuous growth of our business. In order to continuously provide customer satisfaction, our management team assimilates customer feedback and we endeavour to take necessary steps to address the requirements of our customers. In addition, we have introduced concepts like spa, aerobics, spinning, pilates, etc. We propose to continuously undertake such initiatives to increase the satisfaction of our customers.

- **Brand Promotion and Enhancement**

We are constantly looking for opportunities to promote our brand on a nationwide platform. For instance, we were the Official Fitness Partners for Standard Chartered Mumbai Marathon in 2008 and 2009 and Femina Miss India Contest in 2009. In future, we continue to look out for similar regional or national events which can give us a stage to showcase our brand to people across the country.

THE ISSUE

Equity Shares Offered:	Public Issue of 6,050,000 Equity Shares of Rs. 10/- each of our Company, for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) for cash aggregating to Rs. [•] million.
Of which	
A) Qualified Institutional Buyers Portion⁽¹⁾	Atleast 3,025,000 Equity Shares in the Issue being 50% of the Issue, allocation on a proportionate basis out of which 5% of the QIB portion or 151,250 Equity Shares in the Issue shall be available for allocation on a proportionate basis for Mutual Funds only (Mutual Funds Portion) and the balance Equity Shares in the Issue shall be available for allocation to all QIB bidders, including Mutual Funds.
B) Non-Institutional Portion⁽¹⁾	Not less than 907,500 Equity Shares constituting not less than 15% of the Issue that will be available for allocation on a proportionate basis to Non-Institutional Bidders.
C) Retail Portion⁽¹⁾	Not less than 2,117,500 Equity Shares constituting not less than 35% of the Issue that will be available for allocation on a proportionate basis to Retail Individual Bidders.
Equity Shares outstanding prior to the Issue	18,065,672 Equity Shares
Equity Shares outstanding after the Issue	24,115,672 Equity Shares
Use of Proceeds	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 33 of this Red Herring Prospectus for additional information.

⁽¹⁾ Under subscription, if any, in the Non-Institutional Portion or Retail Portion shall be allowed to be met with spillover from the other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price. In case of under subscription in the QIB Portion the same shall not be available to other categories and full subscription monies shall be refunded.

The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.

SUMMARY OF RESTATED FINANCIAL STATEMENTS

The following tables set forth summary financial information derived from our restated financial statements as of and for the financial years ended March 31, 2005, 2006, 2007, 2008, 2009 and for the nine months period ended December 31, 2009. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations as described in the "Auditors Report" included in the chapter "Financial Statements" beginning on page 145 of this Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements including the significant accounting policies and the notes thereto and reports thereon included in the chapters titled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 145 and 177 respectively, of this Red Herring Prospectus.

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(In Rupees Millions)

PARTICULARS	AS ON					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A. FIXED ASSETS						
Gross Block	1162.58	1106.48	747.00	359.03	239.39	174.79
Less: Accumulated Depreciation/Amortisation	145.79	100.86	55.98	33.49	18.54	9.52
Net Block	1016.80	1005.62	691.02	325.54	220.85	165.27
B. CAPITAL WORK IN PROGRESS	172.56	17.61	73.96	70.15	36.18	3.60
C. INVESTMENTS	41.05	40.98	15.00	15.00	0.00	0.00
D. CURRENT ASSETS, LOANS & ADVANCES						
Sundry Debtors	45.08	5.97	8.62	3.47	1.05	1.85
Cash and Bank Balances	90.08	7.59	13.37	4.26	2.82	3.83
Loans and Advances	103.81	88.43	69.77	54.90	15.27	8.61
Total	238.97	101.99	91.76	62.62	19.14	14.29
E. LIABILITIES & PROVISIONS						
Secured Loans	599.57	509.28	494.27	278.54	149.51	91.02
Unsecured Loans	313.30	303.34	162.98	90.37	48.87	52.18
Deferred Tax Liability / (Asset)	43.99	32.83	24.98	8.66	4.29	2.90
Current Liabilities	85.08	126.26	59.83	19.80	11.01	15.05
Provisions	35.05	23.72	13.17	4.43	1.71	0.86
Total	1076.99	995.43	755.23	401.80	215.39	162.02
NET WORTH (A+B+C+D-E)	392.38	170.76	116.51	71.52	60.77	21.15
REPRESENTED BY						
F. SHARE CAPITAL						
Equity Share Capital	180.66	19.67	19.67	18.97	18.97	17.70
Preference Share Capital	0.00	0.00	0.00	15.60	15.60	0.00
Total	180.66	19.67	19.67	34.57	34.57	17.70
G. RESERVES AND SURPLUS						
Profit and Loss Account Balance	160.38	117.46	63.21	18.27	7.57	3.59
Security Premium Account	57.65	33.63	33.63	18.74	18.74	0.00
Total	218.03	151.09	96.84	37.00	26.31	3.59
H. MISCELLANEOUS EXPENDITURE						
(to the extent not written off)	6.31	0.00	0.00	0.05	0.10	0.15
NET WORTH (F+G-H)	392.38	170.76	116.51	71.52	60.77	21.15

STATEMENT OF PROFIT & LOSS ACCOUNT, AS RESTATED
(In Rupees Millions)

PARTICULARS	For the Financial Year/Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A. INCOME						
Income from Operations	485.29	592.03	382.13	221.49	101.65	84.54
Other Income	2.94	2.21	2.86	1.39	0.89	1.27
Total	488.22	594.24	384.98	222.88	102.54	85.81
B. EXPENDITURE						
Personnel Cost	118.91	160.18	102.06	71.26	31.73	27.70
Administrative and other expenses	134.68	171.59	87.72	56.44	24.07	19.98
Selling & Marketing Cost	12.36	27.25	17.06	10.25	4.54	4.73
Service Tax	44.45	62.36	40.76	22.92	9.35	7.12
Total	310.39	421.38	247.60	160.87	69.70	59.53
Profits Before Finance Cost, Depreciation, Amortisation, Extra Ordinary Items & Tax (A-B)	177.83	172.87	137.38	62.01	32.85	26.29
Finance Cost	67.27	80.00	43.43	27.84	17.36	14.93
Depreciation & Amortisation	44.93	45.72	22.67	15.17	9.07	6.33
Profits Before Extra Ordinary Items & Tax	65.64	47.16	71.28	19.00	6.41	5.03
Extra Ordinary Items						
Profit/(Loss) on Sale of Assets	-	27.04	(0.48)	(0.99)	-	-
Compensation for loss of business	-	1.00	-	-	-	-
	-	28.04	(0.48)	(0.99)	-	-
Profits Before Tax	65.64	75.19	70.80	18.01	6.41	5.03
Less:						
Current Tax	11.56	9.36	8.87	2.24	0.59	0.44
Fringe Benefit Tax	-	1.11	0.54	0.47	0.23	-
Deferred Tax	11.16	7.85	16.32	4.37	1.39	2.00
Prior period Tax Adjustments	-	-	(0.10)	-	-	-
Profits After Tax	42.92	56.87	45.17	10.94	4.20	2.59
Balance brought forward from Previous Year	117.46	63.21	18.27	7.57	3.59	1.21
Profit available for appropriations	160.38	120.08	63.44	18.51	7.79	3.80
Less:						
Dividend paid on Equity Shares	-	0.20	0.20	0.19	0.19	0.18
Dividend paid on Preference Shares	-	-	-	0.02	0.00	-
Dividend Distribution Tax Paid	-	0.03	0.03	0.03	0.03	0.02
Less:						
Adjustments due to change in AS-11	-	2.39	-	-	-	-
BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES	160.38	117.46	63.21	18.27	7.57	3.59

GENERAL INFORMATION

Incorporation

Our Company was originally incorporated as “Talwalkars Better Value Fitness Private Limited”, a private limited company under the provisions of the Companies Act, 1956, vide certificate of incorporation dated April 24, 2003 with CIN U92411MH2003PTC140134, issued by the Registrar of Companies (“RoC”), at Mumbai, Maharashtra. Pursuant to a Board resolution dated September 10, 2009 and a special resolution of the shareholders of our Company at the EGM held on October 1, 2009, our Company became a public limited company and the name of our Company was changed to “Talwalkars Better Value Fitness Limited”. The fresh certificate of incorporation to reflect the new name was issued by the RoC on November 7, 2009 with CIN U92411MH2003PLC140134.

Registered and Corporate Office of our Company

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

Tel. No.: +91 – 22 – 6612 6300

Fax No.: +91 – 22 – 6612 6363

Email: ipo@talwalkars.net

Website: www.talwalkars.net

CIN: U92411MH2003PLC140134

For details of changes in the name and registered office, please refer the chapter titled “*History and Other Corporate Matters*” beginning on page 80 of this Red Herring Prospectus.

Address of the Registrar of Companies

Our Company is registered at the Registrar of Companies, Maharashtra, located at Everest 5th Floor, 100 Marine Drive, Mumbai – 400 002, Maharashtra, India.

Board of Directors

Our Board of Directors as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Names of the Directors	Designation	Nature of Directorship	DIN
1.	Mr. Madhukar Vishnu Talwalkar	Executive Chairman	Executive Director	00341613
2.	Mr. Prashant Sudhakar Talwalkar	Managing Director and CEO	Executive Director	00341715
3.	Mr. Vinayak Ratnakar Gawande	Whole-time Director	Executive Director	00324591
4.	Mr. Girish Madhukar Talwalkar	Whole-time Director	Executive Director	00341675
5.	Mr. Harsha Ramdas Bhatkal	Whole-time Director	Executive Director	00283946
6.	Mr. Anant Ratnakar Gawande	Whole-time Director and CFO	Executive Director	00324734
7.	Mr. Manohar Gopal Bhide	Additional Director	Independent Director	00001826
8.	Mr. Raman Hirji Maroo	Additional Director	Independent Director	00169152
9.	Mr. Mohan Motiram Jayakar	Additional Director	Independent Director	00925962
10.	Dr. Avinash Achyut Phadke	Additional Director	Independent Director	00799476
11.	Mr. Abhijeet Rajaram Patil	Additional Director	Independent Director	00356630
12.	Mr. Glenn Mario Saldanha	Additional Director	Independent Director	00050607

For further details of our Board of Directors, please refer chapters titled “*Our Management*” and “*Our Promoters and their Background*” beginning on pages 89 and 106 respectively, of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Niraj Rohitkumar Oza

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

Tel. No.: +91 – 22 – 6612 6300 (Ext. 324)
Fax No.: +91 – 22 – 6612 6363
Email: ipo@talwalkars.net

Investors can contact the Compliance Officer and / or the Registrar to the Issue and/or the Book Running Lead Manager to the Issue in case of any pre-Issue or post-Issue problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

Banker to our Company

Union Bank of India
 Tejura Chambers, 365/367,
 V.P Road, Mumbai 400 004
Tel. No.: +91 – 22 - 23825442 / 23826533
Fax No.: +91 - 22 - 23824582
E-mail: cbsoperahouse@unionbankofindia.com

Book Running Lead Manager

India Infoline Limited
 10th Floor, One IBC,
 841, Senapati Bapat Marg, Lower Parel,
 Mumbai – 400 013, Maharashtra, India
Tel: +91-22-4646 4600,
Fax: +91-22-4646 4700
E-mail: talwalkars.ipo@iiflcap.com;
Website: www.iiflcap.com
Contact Person: Mr. Pinkesh K. Soni /
 Mr. Satish Ganega
SEBI Registration Number: INM 000010940

Legal Advisors to the Issue

M/s. Crawford Bayley & Co.
 Advocates & Solicitors
 State Bank Buildings, 4th floor,
 N. G. N. Vaidya Marg,
 Fort, Mumbai - 400 023,
 Maharashtra, India
Tel: +91-22-2266 8000
Fax: +91-22-2266 3978
E-mail: sanjay.asher@crawfordbayley.com

Bankers To The Issue / Escrow Collection Bank(s)

Axis Bank Limited
 Nand Nand Bhavan, Sodawala Lane,
 Borivali West, Mumbai – 400 092
Tel: + 91 22 6789 0626
Fax: + 91 22 2895 0388
Email: prashantha.shetty@axisbank.com
Website : www.axisbank.com
Contact Person: Mr. Prashantha Shetty
SEBI Registration No.: INBI00000017

Standard Chartered Bank
 270, D.N. Road,
 Fort, Mumbai 400 001
Tel: + 91 22 2268 3955

Registrar to the Issue

Link Intime India Private Limited
 C -13, Pannalal Silk Mills Compound,
 L.B.S Marg, Bhandup (West),
 Mumbai – 400 078, Maharashtra, India.
Tel: +91-22-2596 0320
Fax: +91-22-2596 0329
Email: tbvfl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No: INR000003761

Statutory Auditors of our Company

Saraf Gurkar & Associates
 Chartered Accountants
 201, Shreyas,
 Mogul Lane, Mahim,
 Mumbai – 400 016
 Maharashtra, India
Tel: +91- 22 – 2430 1165
Fax: +91-22 – 2437 8377
E-mail: sarafassociates@gmail.com

HDFC Bank Limited
 FIG-OPS Department,
 Lodha I - Think Techno Campus,
 0-3 Level, Next to Kanjurmarg Railway Station,
 Kanjurmarg (East),
 Mumbai 400042
Tel: + 91 22 3075 2928
Fax: + 91 22 2579 9801
Email: deepak.rane@hdfcbank.com
Website : www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration No.: INBI00000063

The HongKong and Shanghai Banking Corporation Limited
 Plot No. 139-140B,
 Western Express Highway,

Fax: + 91 22 2209 2216
Email: joseph.george@sc.com
Website : www.standardchartered.co.in
Contact Person: Mr. Joseph George
SEBI Registration No.: INBI00000885

Sahar Road Junction,
Vile Parle (East), Mumbai – 400 057
Tel: + 91 22 4035 7458
Fax: + 91 22 4035 7657
Email: swapnilpavale@hsbc.co.in
Website : www.hsbc.co.in
Contact Person: Mr. Swapnil Pavale
SEBI Registration No.: INBI00000027

Refund Banker(s)

Axis Bank Limited
Nand Nand Bhavan, Sodawala Lane,
Borivali West, Mumbai – 400 092
Tel: + 91 22 6789 0626
Fax: + 91 22 2895 0388
Email: prashantha.shetty@axisbank.com
Website : www.axisbank.com
Contact Person: Mr. Prashantha Shetty
SEBI Registration No.: INBI00000017

Syndicate Member(s)

India Infoline Limited
10th Floor, One IBC,
841, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013, Maharashtra, India
Tel: +91-22-4646 4600;
Fax: +91-22-4646 4700
E-mail: talwalkars.ipo@iiflcap.com;
Website: www.iiflcap.com
Contact Person: Mr. Harshit Jain
SEBI Registration Number: INM 000010940

Self Certified Syndicate Banks

The SCSB's as per updated list available on SEBI's website (www.sebi.gov.in)

Brokers to this Issue

All the members of the recognised stock exchanges would be eligible to act as brokers to the Issue.

Statement of Responsibility of the Book Running Lead Manager

Since IIFL is the sole BRLM for the Issue, the entire Issue related activities are handled by IIFL. However, the details of responsibility for IIFL are as follows:

Sr. No	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Offer Document, and of statutory advertisement including a memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing, including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.
3.	Drafting and approval of all publicity material including the statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.
4.	Appointment of other intermediaries' viz., Registrar to the Issue, Printers, Advertising Agency, Bankers to the Issue.
5.	Preparation of road show presentation and frequently asked questions;
6.	International institutional marketing of the Issue, which will cover, <i>inter alia</i> :
	<ul style="list-style-type: none"> Finalising the list and division of investors for one-to-one meetings; and Finalising the road show schedule and the investor meeting schedules.
7.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> :
	<ul style="list-style-type: none"> Finalising the list and division of investors for one-to-one meetings; and Finalising the road show schedule and the investor meeting schedules.

8.	Non-institutional and retail marketing of the Issue, which will cover, <i>inter alia</i> :
	<ul style="list-style-type: none"> Formulating marketing strategies and preparation of publicity budget; Finalising media and public relations strategy; Finalising centres for holding conferences for press, brokers, etc.; Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; Finalising collection centres and arranging for selection of Underwriter and execution of an underwriting agreement; and Coordination with the Stock Exchanges for book building software, bidding terminals and mock trading.
9.	Pricing, managing the book and coordination with Stock-Exchanges
10.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc
11.	Post-Bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, coordination with the Registrar to the Issue and Bankers to the Issue, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments and dispatch of certificates and demat of delivery of shares with the various agencies connected with these activities such as the Registrar to the Issue, the Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and for enabling them to discharge their responsibilities through suitable agreements with the Company.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required for this Issue.

IPO Grading Agency

Credit Analysis & Research Limited

4th Floor, Godrej Coliseum,

Somaiya Hospital Road,

Off Eastern Express Highway,

Sion (East), Mumbai - 400 022

Tel: +91 22 67543434

Fax: +91 22 67543457

Email: dr.dogra@careratings.com

Contact Person: D.R. Dogra

Website: www.careratings.com

IPO Grading

This Issue has been graded by Credit Analysis and Research Limited (“CARE”) and has been assigned IPO Grade 3 indicating average fundamentals through its letter dated February 12, 2010 and has been reaffirmed by the letter dated April 05, 2010.

The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. Attention is drawn to the disclaimer appearing on page 239 of this Red Herring Prospectus.

This grading expires within two months from the date of the report. The rationale for the Grade assigned to our Company's IPO by CARE, has been set out in its report. A summary of the rationale for the grading assigned by CARE in its report is reproduced below:

Grading Rationale

The grading factors in promoters’ experience and long track record in the fitness industry, experienced Board of Directors, established brand, favourable industry prospects and pan-India presence.

However, the grading is constrained by low entry barriers and increasing competition in the fitness industry, high level of leverage, high exposure by way of corporate guarantee towards joint ventures and dependence on IPO

proceeds for the proposed expansion. For further details, please refer to “Appendix A – IPO Grading Report” beginning on page 345 of the Red Herring Prospectus.

Expert Opinion

Except the report of CARE in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinion.

Trustees

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

Monitoring Agency

A Monitoring Agency is not required to be appointed in terms of sub-regulation (1) of Regulation 16 of the SEBI (ICDR) Regulations. The Board of Directors of our Company will monitor the use of the proceeds of this Issue.

Appraisal Entity

The objects of this Issue have not been appraised by any agency. The objects of this Issue and means of finance therefore are based on internal estimates of our Company.

Book Building Process

Book Building refers to the process of collection of Bids from investors, which is based on the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company,
- (2) Book Running Lead Manager in this case being India Infoline Limited,
- (3) Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The BRLM shall appoint the Syndicate Members,
- (4) Registrar to this Issue, and
- (5) Escrow Collection Bank(s).
- (6) Self Certified Syndicate Banks

The SEBI (ICDR) Regulations have permitted an issue of securities to the public through the 100% Book Building Process. This Issue is being made through a 100% Book Building Process, wherein, subject to valid Bids being received at or above the Issue Price in each of the below categories:

- (i) Atleast 50% of the Issue to the Public shall be available for Allocation on a proportionate basis to QIBs(of which 5% will be available for Allocation on a proportionate basis to Mutual Funds only, and Mutual Fund Bidders shall also be eligible for proportionate Allocation under the balance portion available for the QIBs);
- (ii) Not less than 15% of the Issue shall be available for Allocation on a proportionate basis to Non Institutional Bidders;
- (iii) Not less than 35% of the Issue shall be available for Allocation on a proportionate basis to Retail Individual Bidders;

Our Company will comply with the SEBI (ICDR) Regulations for this Issue. In this regard, our Company has appointed India Infoline Limited, as the BRLM to manage the Issue and to procure subscriptions to the Issue.

The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers

QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date and are required to pay at least 10% Margin Amount upon submission of their Bid. For further details, please refer to the chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus.

All the Bidders, other than QIB, has the option to submit their Bids under the “ASBA Process”, which would entail blocking of funds in the investor’s bank account rather than transfer of funds to the respective Escrow Accounts. For details, please refer to the chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process (Investors should note that this illustration is solely for the purpose of illustration and is not specific to the Issue)

The bidders can bid at any price within the price band. For instance, assume a price band of Rs. 60 to Rs. 72 per Equity Share, issue size of 5,400 Equity Shares and receipt of five bids from the bidders. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) at the bidding centres during the bidding/issue Period. The illustrative book as set forth below shows the demand for the equity shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs. 66 in the above example. Our Company, in consultation with the BRLM, will finalise the Issue Price at or below such cut off price, i.e., at or below Rs. 66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for Allocation in the respective category.

The process of Book Building, under the SEBI (ICDR) Regulations, is relatively new and is subject to change, from time to time. The ASBA process has been notified *vide* SEBI Circular dated August 28, 2008 and is a new process. Accordingly, investors are advised to make their own judgement about investment through this process of Book Building (including through ASBA process) prior to making a Bid.

Steps to be taken for bidding:

1. Check eligibility for making a Bid. For further details, please refer paragraph titled “Who Can Bid” in chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus;
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form.
3. Ensure that you have mentioned your PAN in the Bid-Cum-Application Form (including ASBA form), unless exempted from mentioning the PAN. For details of exempted entities please refer paragraph titled “Permanent Account Number”, in chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus. It is to be specifically noted that Bidders should not provide the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form.
5. The Bidder should ensure the correctness of his or her Demographic Details (as defined under the paragraph titled “Bidder’s Depository Account Details”, in chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus) given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant so as to ensure receipt of allotment advice/refund orders with correct details at his/her present address

For further details, please refer the chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus.

BID/ISSUE

Bidding /Issue Period

BID/ISSUE OPENS ON	Wednesday, April 21, 2010
BID/ISSUE CLOSES ON	Friday, April 23, 2010

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period (i) for non-ASBA Bidders, as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form; and (ii) for ASBA Bidders, at any of the Designated Branches of SCSBs; **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders, Non- Institutional Bidders and (ii) until 5.00 p.m. or till such

time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids at least one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, it may lead to some Bids not being uploaded due to lack of sufficient time to upload them. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the exchanges.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI (ICDR) Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band as appearing in the Red Herring Prospectus or as notified two working days prior to the opening of the bid in the newspapers in which the pre issue advertisement was released, as the case may be, and the Cap Price will be revised accordingly. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 50 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.

In case of revision in the Price Band, the Issue Period will be extended for three (3) additional days after revision of the Price Band, subject to the Bid/Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the other members of the Syndicate and to the SCSBs.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before Allotment in this Issue, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue shall also be subject to:

- I. The final listing and trading approvals of the stock exchanges, which our Company shall apply for after Allotment;
- II. The final RoC approval for the Prospectus, after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Underwriting

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be issued in the Issue. Pursuant

to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting shall be to the extent of the bids uploaded by the Underwriter including through its syndicates / sub-syndicates. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriter has indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
India Infoline Limited 10 th Floor, One India Bull Centre, Jupiter Mill Compound 841, S.B.Road, Nr. Elphinstone Road, Lower Parel, Mumbai – 400 013 Tel: +91 22 4646 4600; Fax: +91 22 4646 4706 SEBI Reg. No.: INM 000010940	[•]	[•]
Total	[•]	[•]

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

The abovementioned amount is indicative and this would be finalised after determination of the Issue Price and actual Allocation of the Equity Shares. The above Underwriting Agreement is dated [•] and has been approved by the Board of Directors.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriter are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors acting through the Chairman of our Company and our Company has issued letters of acceptance to the Underwriter.

Allocation among Underwriter may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement. The BRLM shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Red Herring Prospectus is as set forth below.

SR. NO.	PARTICULARS	AGGREGATE NOMINAL VALUE (Rs.)	AGGREGATE VALUE AT ISSUE PRICE (Rs.)
A.	AUTHORISED CAPITAL		
	30,000,000 Equity Shares of Rs. 10/- each	300,000,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARECAPITAL PRIOR TO THE ISSUE		
	18,065,672 Equity Shares of Rs 10/- each fully paid- up	180,656,720	-
C.	ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS		
	Issue of		
	6,050,000 Equity Shares of Rs. 10/- each	60,500,000	●
	Of which:		
(i)	QIB Portion of atleast 3,025,000 [#] Equity Shares of Rs. 10/- each, being atleast 50% of the Issue	30,250,000	
(ii)	Non-Institutional portion of not less than 907,500 Equity Shares of Rs. 10/- each, being not less than 15% of the Issue **	9,075,000	
(iii)	Retail Portion of not less than 2,117,500 Equity Shares of Rs. 10/- each, being not less than 35% of the Issue **	21,175,000	
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL POST ISSUE		
	24,115,672 Equity Shares of Rs. 10/- each fully paid- up, outstanding after the Issue	241,156,720	●
E.	SECURITIES PREMIUM ACCOUNT		(Rs. in million)
	Prior to the Issue	57.65	
	Post the Issue*	●	●

[#]5% of the QIB portion, i.e. 151,250 Equity Shares, is available for Allocation on a proportionate basis to Mutual Funds, and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after 1 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of at least 10% with its Bid-cum-Application Form. **The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.**

* The Securities Premium Account after the Issue shall be determined after Book Building Process.

**Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any portion (excluding QIB portion) would be met with spill over from other categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis

The present Issue has been authorised by the Board of Directors in their meeting held on November 09, 2009, and by the shareholders of our Company at the EGM held on November 09, 2009.

Notes to the Capital Structure

1. Details of increase in Authorised Share Capital since incorporation

SR. NO.	PARTICULARS OF INCREASE	DATE OF SHAREHOLDERS' MEETING	AGM/EGM
1.	1,000 Equity Shares of Rs. 100/- each aggregating to	Incorporation	-

	Rs.0.10million		
2.	Increased from 1,000 Equity Shares of Rs.100/- each aggregating to Rs. 0.10 million to 2,00,000 Equity Shares of Rs.100/- each aggregating to Rs. 20.00 million by creation of 1,99,000 Equity Shares of Rs. 100/- each.	June 16, 2003	EGM
3.	Increased from 2,00,000 Equity Shares of Rs.100/- each aggregating to Rs. 20.00 million to Rs. 36.00 million by creation of 1,60,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs.100/- each	December 22, 2005	EGM
4.	Re-organised the capital structure by converting 1,60,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each into 1,60,000 equity shares of Rs. 100/- each.	September 30, 2008	AGM
5.	Re-organised the capital structure by Sub-division of 360,000 Equity Shares of Rs. 100/- each into 3,600,000 Equity Shares of Rs. 10/- each.	September 30, 2008	AGM
6.	Increased from 3,600,000 Equity Shares of Rs.10/- each aggregating to Rs. 36.00 million to 15,000,000 Equity Shares of Rs.10/- each aggregating to Rs.150.00 million by creation of 11,400,000 Equity Shares of Rs. 10/- each.	August 24, 2009	EGM
7.	Increased from 15,000,000 Equity Shares of Rs.10/- each aggregating to Rs. 150.00 million to 25,000,000 Equity Shares of Rs.10/- each aggregating to Rs. 250.00 million by creation of 10,000,000 Equity Shares of Rs.10/- each.	November 9, 2009	EGM
8.	Increased from 25,000,000 Equity Shares of Rs.10/- each aggregating to Rs. 250.00 million to 30,000,000 Equity Shares of Rs.10/- each aggregating to Rs. 300.00 million by creation of 5,000,000 Equity Shares of Rs.10/- each.	November 14, 2009	EGM

2. Equity Share Capital History of our Company

Date of Allotment of fully Paid-up Equity Shares	No. of Equity Shares Allotted	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Nature of payment of consideration	Reasons for Allotment	Cumulative securities premium account (Rs. in million)	Cumulative paid-up capital (Rs. in million)
April 25, 2003	1,000	1,000	100	NIL	100	Cash	Subscription to Memorandum	NIL	0.10
June 09, 2003	1,001	2,001	100	NIL	100	Cash	Further Allotment	NIL	0.20
July 15, 2003	55,000	57,001	100	NIL	100	Other than cash **	Further Allotment	NIL	5.70
July 15, 2003	120,000	177,001	100	NIL	100	Cash	Further Allotment	NIL	17.70
March 25, 2004	17	177,018	100	NIL	100	Cash	Further Allotment	NIL	17.70
January 12, 2006	12,643	189,661	100	1481.90	1581.90	Cash	Further Allotment	18.73	18.96
December 07, 2007*	7,026	196,687	100	2120.30	2220.30	Cash	Further Allotment against Redemption of Preference Shares*	33.63	19.67

Date of Allotment of fully Paid-up Equity Shares	No. of Equity Shares Allotted	Cumulative number of shares	Face Value (Rs.)	Securities Premium (Rs.)	Issue Price (Rs.)	Nature of payment of consideration	Reasons for Allotment	Cumulative securities premium account (Rs. in million)	Cumulative paid-up capital (Rs. in million)
Sub-division of nominal value of Equity shares of our Company from Rs. 100 per Equity Share to Rs. 10 per Equity Share vide AGM dated September 30, 2008.									
October 05, 2009***	291,339	2,258,209	10	625	635	Cash	Further Allotment	215.71	22.58
November 16, 2009****	15,807,463	18,065,672	10	NIL	NIL	Other than Cash	Bonus Issue	215.71	180.66

*Pursuant to resolution of the Board of Direction passed in their meeting held on December 07, 2007, 156,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each were converted to 7,026 Equity Shares of Rs. 100/- each at a premium of Rs. 2120.30 per share.

**Allotment made in consideration to taking over of business of M/s. Talwalkar Health Unlimited as a going concern, pursuant to Memorandum of Understanding dated June 30, 2003, executed between Mr. Madhukar Vishnu Talwalkar, Mr. Prashant Sudhakar Talwalkar, Mr. Girish Madhukar Talwalkar and our Company. However, the nature of payment of consideration has been inadvertently mentioned as for cash in form 2 filed with RoC Mumbai.

*** The Company vide its Board Resolution dated October 05, 2009, issued 291,339 equity shares of Rs.10 each at a premium of Rs. 625 per equity share on preferential basis, including to five of its Promoters (4000 equity shares each) namely, Mr. Prashant Sudhakar Talwalkar, Mr. Vinayak Ratnakar Gawande, Mr. Girish Madhukar Talwalkar, Mr. Harsha Ramdas Bhatkal and Mr. Anant Ratnakar Gawande.

**** The Company vide its Board Resolution dated November 16, 2009, issued 15,807,463 equity shares of Rs.10 each as bonus shares to the existing shareholders in the ratio of 7 equity shares for every 1 equity share held by them.

3. Preference Share Capital History of our Company

Date of Allotment of the preference shares	No. of preference shares	Cumulative Number of shares	Face Value (Rs.)	Issue Price (Rs.)	Securities Premium	Nature of payment of consideration	Reasons for Allotment	Cumulative securities premium account	Cumulative paid-up capital (Rs. in Million)
January 12, 2006	156,000	156,000	100	100	NIL	Cash	Allotment of 0.1% Cumulative Convertible Preference Shares	NIL	1.56
December 07, 2007*	(1,56,000)	0	N.A.	N.A.	N.A.	N.A.	Converted into 7026 Equity Shares	NIL	NIL

* Pursuant to resolution of the Board of Direction passed in their meeting held on December 07, 2007, 156,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each were converted to 7026 Equity Shares of Rs. 100/- each at a premium of Rs. 2120.30 per share.

4. Save and except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment of the Equity Shares	Name of the person	No. of Equity Shares	Face Value (Rs.)	Reasons for Allotment	Benefit accrued to our Company
July 15, 2003	Mr. Madhukar	18,000	100	Allotment made in consideration to	Taking over

Date of Allotment of the Equity Shares	Name of the person	No. of Equity Shares	Face Value (Rs.)	Reasons for Allotment	Benefit accrued to our Company
	Vishnu Talwalkar			taking over of business of M/s. Talwalkar Health Unlimited as a going concern, pursuant to Memorandum of Understanding dated June 30, 2003, executed between Mr. Madhukar Vishnu Talwalkar Mr. Prashant Sudhakar Talwalkar Mr. Girish Madhukar Talwalkar and our Company.	of business as a going concern
July 15, 2003	Mr. Prashant Sudhakar Talwalkar	18,500	100	Allotment made in consideration to taking over of business of M/s. Talwalkar Health Unlimited as a going concern, pursuant to Memorandum of Understanding dated June 30, 2003, executed between Mr. Madhukar Vishnu Talwalkar Mr. Prashant Sudhakar Talwalkar Mr. Girish Madhukar Talwalkar and our Company.	Taking over of business as a going concern
July 15, 2003	Mr. Girish Madhukar Talwalkar	18,500	100	Allotment made in consideration to taking over of business of M/s. Talwalkar Health Unlimited as a going concern, pursuant to Memorandum of Understanding dated June 30, 2003, executed between Mr. Madhukar Vishnu Talwalkar Mr. Prashant Sudhakar Talwalkar Mr. Girish Madhukar Talwalkar and our Company.	Taking over of business as a going concern
November 16, 2009	Shareholders as on the date of the Bonus Issue	15,807,463	10	Bonus Issue	-

5. Promoters Contribution and Lock-In

Name of the Promoter	Date on which Equity Shares were allotted/transferred/subdivided and made fully paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue/transfer price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital	Mode of Acquisition	Lock-in period
Mr. Madhukar Vishnu Talwalkar	April 25, 2003	500	100	100	Cash	0.03*	0.02*	Subscription to the Memorandum	3 years
	July 15, 2003	18,000	100	100	Other than cash	1.00*	0.75*	Allotment	3 years
	July 15, 2003	24,000	100	100	Cash	1.33*	1.00*	Allotment	3 years
	March 04, 2005	(7,100)	100	100	Cash	-	-	Transferred to Mr. Vinayak Ratnakar Gawande	-
	January 06, 2006	3	100	100	Cash	Negligible*	Negligible*	Transferred Ms. Maya Pogle, Mr.	3 years

Name of the Promoter	Date on which Equity Shares were allotted/subdivided and made fully paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue/transfer price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital	Mode of Acquisition	Lock-in period
								Milind Pokle and Ms. Prafullata Pokle	
Total number of shares pre-subdivision		35,403	100						
Total number of shares on subdivision*		354,030	10						3 years
	August 08, 2009	5	10	10	Cash	Negligible	Negligible	Transferred from Rutika Samtani and Animesh Kumar	1 year
	November 16, 2009	1,867,648 610,597	10	-	Other than cash	13.72	10.28	Bonus Issue	1 year 3 years
TOTAL (A)		2,832,280				15.68	11.74		
Mr. Prashant Sudhakar Talwalkar	June 09, 2003	400	100	100	Cash	0.02*	0.02*	Allotment	3 years
	July 15, 2003	18,500	100	100	Other than cash	1.02*	0.77*	Allotment	3 years
	July 15, 2003	24,000	100	100	Cash	1.33*	1.00*	Allotment	3 years
	March 04, 2005	(50)	100	100	Cash	-	-	Transferred to Mr. Anant Ratnakar Gawande	-
	March 04, 2005	(7,450)	100	100	Cash	-	-	Transferred to Mr. Harsha Ramdas Bhatkal	-
	January 06, 2006	3	100	100	Cash	Negligible*	Negligible*	Transferred from Mr. Dinshaw Daruwala; Mr. Fali Daruwala; and Mr. Kurshed Daruwala	3 years
Total number of shares pre-subdivision		35,403	100						
Total number of shares on subdivision*		354,030	10						3 years
	August 08, 2009	5	10	10	Cash	Negligible	Negligible	Transferred from Ms. Nanda G.	1 year

Name of the Promoter	Date on which Equity Shares were allotted/subdivided and made fully paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue/transfer price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital	Mode of Acquisition	Lock-in period
								Talwalkar and Ms. Anupa Kamble	
	October 05, 2009	4000	10	635	Cash	0.02	0.02	Allotment**	1 year
	November 16, 2009	1,895,648	10	-	Other than cash	13.87	10.39	Bonus Issue	1 year
		610,597							3 years
TOTAL (B)		2,864,280				15.85	11.88		
Mr. Vinayak Ratnakar Gawande	April 25, 2003	500	100	100	Cash	0.03*	0.02*	Subscription to the Memorandum	3 years
	July 15, 2003	16,000	100	100	Cash	0.89*	0.66*	Allotment	3 years
	March 04, 2005	7,100	100	100	Cash	0.39*	0.29*	Transferred from Mr. Madhukar Vishnu Talwalkar	3 years
	January 06, 2006	2	100	100	Cash	Negligible*	Negligible*	Transferred from Mr. D. V. Chaphekar and Ms. Medha Phanshikar	3 years
Total number of shares pre-subdivision		23,602	100						
Total number of shares on subdivision*		236,020	10						3 years
	August 08, 2009	4	10	10	Cash	Negligible	Negligible	Transferred from Ms. Anupa Kamble	1 year
	August 24, 2009	1	10	10	Cash	Negligible	Negligible	Transferred from Ms. Rutika Samtani and Mr. Animesh Kumar	1 year
	October 05, 2009	4,000	10	635	Cash	0.02	0.02	Allotment**	1 year
	November 16, 2009	1,273,110	10	-	Other than cash	9.30	6.97	Bonus Issue	1 year
		407,065							3 years
TOTAL (C)		1,920,200				10.63	7.96		
Mr. Girish Madhukar Talwalkar	June 09, 2003	300	100	100	Cash	0.02*	0.01*	Allotment	3 years
	July 15, 2003	18,500	100	100	Other than cash	1.02*	0.77*	Allotment	3 years

Name of the Promoter	Date on which Equity Shares were allotted/transferred/subdivided and made fully paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue/transfer price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital	Mode of Acquisition	Lock-in period
	July 15, 2003	24,000	100	100	Cash	1.33*	1.00*	Allotment	3 years
	March 04, 2005	(7400)	100	100	Cash	-	-	Transferred to Mr. Anant Gawande	-
	January 06, 2006	3	100	100	Cash	Negligible*	Negligible*	Transferred from Mr. J. K. Lord, Mr. K. C. Lord and Mr. Suresh Rakhe	3 years
Total number of shares pre-subdivision		35,403	100						
Total number of shares on subdivision*		354,030	10						3 years
	August 08, 2009	5	10	10	Cash	Negligible	Negligible	Transferred From Mr. Animesh Kumar and Rutika Samtani	1 year
	October 05, 2009	4000	10	635	Cash	0.02	0.02	Allotment**	1 year
	November 16, 2009	1,895,648	10	-	Other than cash	13.87	10.39	Bonus Issue	1 year
		610,597							3 years
TOTAL (D)		2,864,280				15.85	11.88		
Mr. Harsha Ramdas Bhatkal	June 09, 2003	150	100	100	Cash	0.01*	Negligible*	Allotment	3 years
	July 15, 2003	16,000	100	100	Cash	0.89*	0.66*	Allotment	3 years
	March 04, 2005	7450	100	100	Cash	0.41*	0.31*	Transferred From Mr. Prashant Sudhakar Talwalkar	3 years
	January 06, 2006	2	100	100	Cash	Negligible*	Negligible*	Transferred from Ms. Parvati Parker and Ms. Rutika Samtani	3 years
Total number of shares pre-subdivision		23,602	100						
Total number of shares on subdivision*		236,020	10						3 years
	August 08, 2009	4	10	10	Cash	Negligible	Negligible	Transferred from Ms. Anupa	1 year

Name of the Promoter	Date on which Equity Shares were allotted/transferred/subdivided and made fully paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue/transfer price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital	Mode of Acquisition	Lock-in period
								Kamble and Mr. Nitin Gawande and Anjali Nitin Gawande	
	October 05, 2009	4000	10	635	Cash	0.02	0.02	Allotment**	1 year
	October 09, 2009	1	10	635	Cash	Negligible	Negligible	Transferred from Aditya Kishore Afzulpurkar	1 year
	November 16, 2009	1,273,110	10	-	Other than cash	9.30	6.97	Bonus Issue	1 year
		407,065							3 years
TOTAL (E)		1,920,200				10.63	7.96		
Mr. Anant Ratnakar Gawande	June 09, 2003	150	100	100	Cash	0.01*	0.01*	Allotment	3 years
	July 15, 2003	16,000	100	100	Cash	0.89*	0.66*	Allotment	3 years
	March 04, 2005	7400	100	100	Cash	0.41*	0.31*	Transferred from Mr. Girish Madhukar Talwalkar	3 years
	March 04, 2005	50	100	100	Cash	Negligible*	Negligible*	Transferred from Mr. Prashant Sudhakar Talwalkar	3 years
	January 06, 2006	2	100	100	Cash	Negligible*	Negligible*	Transferred from Ms. Ujwala Mooley and Mr. Dilip Kulkarni	3 years
Total number of shares pre-subdivision		23,602	100						
Total number of shares on subdivision*		236,020	10						3 years
	August 08, 2009	5	10	10	Cash	Negligible	Negligible	Transferred from Ms. Rutika Samtani and Mr. Animesh Kumar and Mr. Nitin Gawande and Ms. Anjali Gawande	1 year
	October 05, 2009	4000	10	635	Cash	0.02	0.02	Allotment**	1 year

Name of the Promoter	Date on which Equity Shares were allotted/transfered/subdivided and made fully paid-up	No. of Equity Shares	Face Value (in Rs.)	Issue/transfer price (in Rs.)	Nature of Consideration	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital	Mode of Acquisition	Lock-in period
	November 16, 2009	1,273,110	10	-	Other than cash	9.30	6.97	Bonus Issue	1 year
		407,065							3 years
TOTAL (F)		1,920,200				10.63	7.96		
TOTAL (A+B+C+D+E+F)		14,321,440				79.27	59.39		

* Allotment of Equity Shares has been made at a face value of Rs. 100/- each. However pre-issue and post-issue percentages have been calculated on the basis of face value of Rs. 10/- each.

** Pursuant to the resolution passed by the shareholders at the AGM held on September 30, 2008, the authorised capital of our Company was re-organised from Rs. 36.00 million divided into 200,000 Equity Shares of Rs. 100/- each and 160,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each to Rs. 36.00 million divided into 360,000 Equity Shares of Rs. 100/-each.

*** The Company vide its Board Resolution dated October 05, 2009, issued 291,339 equity shares of Rs.10 each at a premium of Rs. 625 per equity share on preferential basis, including to five of its Promoters (4000 equity shares each) namely, Mr. Prashant Sudhakar Talwalkar, Mr. Vinayak Ratnakar Gawande, Mr. Girish Madhukar Talwalkar, Mr. Harsha Ramdas Bhatkal and Mr. Anant Ratnakar Gawande. These fresh issues of equity shares were for the Company's expansion plan of additional health clubs for the Fiscal 2010.

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI (ICDR) Regulations, 2009, and in terms of the aforesaid table, the below mentioned Equity Shares, held by the Promoters, as per sub-regulation (a) of Regulation 36 of SEBI (ICDR) Regulations, 2009, shall be locked in for a period of 3 years from the date of Allotment:

Sr. No.	Name	Total Number of Equity Shares	% of Post Issue Paid-up Capital
1.	Mr. Madhukar Vishnu Talwalkar	964,627	4.00
2.	Mr. Prashant Sudhakar Talwalkar	964,627	4.00
3.	Mr. Vinayak Ratnakar Gawande	643,085	2.67
4.	Mr. Girish Madhukar Talwalkar	964,627	4.00
5.	Mr. Harsha Ramdas Bhatkal	643,085	2.67
6.	Mr. Anant Ratnakar Gawande	643,085	2.67
	TOTAL	4,823,136	20.00

Note: The lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

We confirm that specific written consent has been obtained from our Promoters, whose Equity Shares form part of Promoters' contribution, to lock-in their Equity Shares for a period of three years to ensure minimum Promoter's contribution to the extent of 20% of the post-Issue paid-up capital of our Company.

Our Promoters have agreed to lock in 4,823,136 Equity Shares for a period of three (3) years. ***All the Equity Shares which have been locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (ICDR) Regulations, 2009.***

Other than the Equity Shares locked-in as Promoter's contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company as per Regulation 37 of the SEBI (ICDR) Regulations, 2009 shall be locked in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue.

The share certificate for Equity Share in physical form, which is subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges prior to listing of the Equity Shares.

We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three (3) years does not consist of:

- Equity Shares acquired three (3) years before the filing of this Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets, involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for minimum Promoters' contribution.
- Securities acquired by our Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.
- Equity Shares issued to our Promoters on conversion of partnership firms into limited company.
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in;
- Pledged Equity Shares held by our Promoters.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoter's contribution subject to lock in will not be disposed / sold / transferred by our Promoters during the period starting from the date of filing of this Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in this Red Herring Prospectus.

- In terms of Regulation 39 of the SEBI (ICDR) Regulations, 2009, our Promoters may pledge the locked-in-Equity Shares only with banks or financial institutions as collateral security for loans granted by such banks /financial institutions, provided that:
 - If the specified securities are locked-in in terms of sub-regulation (a) Regulation 36 of the SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan;
 - If the specified securities are locked-in in terms of sub-regulation (b) Regulation 36 of the SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.

The shares locked in by our Promoters are not pledged to any party.

However, as on date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by shareholders other than Promoters, which are locked-in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares to be held by the Promoters within the lock-in period shall not be sold / hypothecated / transferred during the lock-in period. However, the Equity Shares held by Promoters, which are locked in as per the Regulation 36 of the SEBI (ICDR) Regulations, 2009, may be transferred to and amongst the Promoters / Promoter Group or to new promoter(s) or persons in control of our Company, subject to the continuation of lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

7. Shareholding pattern of our Company as on March 31, 2010:

(Face Value of equity shares of Rs. 10/- each)

Category Code	Category of shareholder	No. of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % (A+B)	As a % of (A+B+C)	Number of shares	As a % age (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Share holding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	6	1,43,21,440	1,43,21,440	79.27	79.27	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0

Category Code	Category of shareholder	No. of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % age (IX)= (VIII)/(IV)*100
(c)	Bodies Corporate	1	25,216	25,216	0.14	0.14	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Others (specify)	0	0	0	0	0	0	0
	Sub-Total (A) (1)	7	1,43,46,656	1,43,46,656	79.41	79.41	0	0
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any other (specify)	0	0	0	0	0	0	0
	Sub-Total (A) (2)	0	0	0	0	0	0	0
	Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	7	1,43,46,656	1,43,46,656	79.41	79.41	0	0
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (B) (1)	0	0	0	0	0	0	0
(2)	Non-Institutions							
(a)	Bodies Corporate	11	8,82,184	8,80,844	4.88	4.88	0	0

Category Code (I)	Category of shareholder (II)	No. of share holders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % (A+B) (VI)	As a % of (A+B+C) (VII)	Number of shares (VIII)	As a % age (IX)= (VIII)/(IV)*100
(b)	i Individual shareholders holding nominal capital up to Rs.1 Lakh	11	68,458	53,362	0.38	0.38	0	0
	ii Individual shareholders holding nominal capital up in excess of Rs.1 Lakh	22	25,51,486	24,04,302	14.12	14.12	0	0
(c)	Any Other (specify)							
	HUF	2	39,496	39,496	0.22	0.22	0	0
	NRI	3	1,77,392	63,000	0.98	0.98	0	0
	Sub-Total (B) (2)	49	37,19,016	34,41,004	20.59	20.59	0	0
	Total Public Holding (B)= (B)(1)+ (B)(2)	49	37,19,016	34,41,004	20.59	20.59	0	0
	TOTAL (A) + (B)	56	1,80,65,672	1,77,87,660	100	100	0	0
(C)	Shares held by custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	56	1,80,65,672	1,77,87,660	100	100	0	0

(I)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”:

(Face Value of equity shares of Rs. 10/- each)

Sr. No. (I)	Name of the shareholder (II)	Total shares held		Shares pledged or otherwise encumbered		
		Number (III)	As a % of grand total (A)+(B)+(C) (IV)	Number (V)	As a percentage (VI)= (V)/(III)*100 (VII)	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a) (VIII)
1	Madhukar Vishnu Talwalkar	28,32,280	15.68	0	0	0
2	Prashant Sudhakar Talwalkar	28,64,280	15.85	0	0	0
3	Vinayak Ratnakar Gawande	19,20,200	10.63	0	0	0
4	Girish Madhukar Talwalkar	28,64,280	15.85	0	0	0
5	Harsha Ramdas Bhatkal	19,20,200	10.63	0	0	0
6	Anant Ratnakar Gawande	19,20,200	10.63	0	0	0
7	Better Value Leasing & Finance Limited	25,216	0.14	0	0	0
	TOTAL	1,43,46,656	79.41	0	0	0

(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares:

(Face Value of equity shares of Rs. 10/- each)

Sr. No.	Name of the shareholder	No. of Equity Shares	Shares as a percentage of total number of shares (i.e. grand total (A)+(B)+(C) indicated in statement at para (1) (a) above)
1	Shivanand Shankar Mankekar	12,58,800	6.97
2	Kedar Shivanand Mankekar	2,75,440	1.52
TOTAL		15,34,240	8.49

(I)(d) Statement showing details of locked-in shares:

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares (i.e. grand total (A) + (B)+(C) indicated in statement at para (1) (a) above)
1	Madhukar Vishnu Talwalkar	9,64,627	5.34
2	Prashant Sudhakar Talwalkar	9,64,627	5.34
3	Vinayak Ratnakar Gawande	6,43,085	3.56
4	Girish Madhukar Talwalkar	9,64,627	5.34
5	Harsha Ramdas Bhatkal	6,43,085	3.56
6	Anant Ratnakar Gawande	6,43,085	3.56
TOTAL		48,23,136	26.70

8. Shareholding Pattern of our Promoter and Promoter Group prior and post this Issue:

Name of the Shareholders	Pre-Issue Equity Capital		Post – Issue Equity Capital	
	Number of Equity Shares	%	Number of Equity Shares	%
Promoters				
Mr. Madhukar Vishnu Talwalkar	2,832,280	15.68	2,832,280	11.74
Mr. Prashant Sudhakar Talwalkar	2,864,280	15.85	2,864,280	11.88
Mr. Vinayak Ratnakar Gawande	1,920,200	10.63	1,920,200	7.96
Mr. Girish Madhukar Talwalkar	2,864,280	15.85	2,864,280	11.88
Mr. Harsha Ramdas Bhatkal	1,920,200	10.63	1,920,200	7.96
Mr. Anant Ratnakar Gawande	1,920,200	10.63	1,920,200	7.96
Sub Total (A)	14,321,440	79.27	14,321,440	59.39
Promoter Group				
Better Value Leasing & Finance Limited	25,216	0.14	25,216	0.10
Other relatives of the Promoters individually holding less than 1% of pre Issue capital.	-	-	-	-
Sub Total (B)	25,216	0.14	25,216	0.10
Promoter & Promoter Group Total (A+B)	14,346,656	79.41	14,346,656	59.49

9. The average cost of acquisition per Equity Share allotted to our Promoters is as follows:

Sr. No.	Name of Promoter	Average Cost of Acquisition (Rs.)
1	Mr. Madhukar Vishnu Talwalkar	1.25
2	Mr. Prashant Sudhakar Talwalkar	2.12
3	Mr. Vinayak Ratnakar Gawande	2.55
4	Mr. Girish Madhukar Talwalkar	2.12
5	Mr. Harsha Ramdas Bhatkal	2.55
6	Mr. Anant Ratnakar Gawande	2.55

Note: The average cost of acquisition of Equity Shares by our Promoters has been computed by taking the weighted average cost and considering the bonus equity shares issued by us on November 16, 2009.

10. Save and except as mentioned below, none of our Directors or Key Managerial Personnel hold Equity Shares in our Company as on date of this Red Herring Prospectus:

Sr. No.	Name of the Directors	Number of Equity Shares	% of Post Issue Paid-up Capital
1.	Mr. Madhukar Vishnu Talwalkar	2,832,280	11.74
2.	Mr. Prashant Sudhakar Talwalkar	2,864,280	11.88
3.	Mr. Vinayak Ratnakar Gawande	1,920,200	7.96
4.	Mr. Girish Madhukar Talwalkar	2,864,280	11.88
5.	Mr. Harsha Ramdas Bhatkal	1,920,200	7.96
6.	Mr. Anant Ratnakar Gawande	1,920,200	7.96
7.	Mr. Manohar Gopal Bhide	6,296	0.03
8.	Dr. Avinash Achyut Phadke	64,000	0.27

11. Our Company has 56 shareholders as on date of this Red Herring Prospectus. 278,012 Equity Shares are held in physical form and 17,787,660 are held in demat form as on date of this Red Herring Prospectus.

12. Top ten shareholders of our Company and their shareholding is set forth below:

(a) Top ten shareholders of our Company as on the date of this Red Herring Prospectus:*

Sr. No.	Name of Shareholder	Number of Equity Shares held	Percentage
1.	Mr. Girish Madhukar Talwalkar	2,864,280	15.85
2.	Mr. Prashant Sudhakar Talwalkar	2,864,280	15.85
3.	Mr. Madhukar Vishnu Talwalkar	2,832,280	15.68
4.	Mr. Vinayak Ratnakar Gawande	1,920,200	10.63
5.	Mr. Harsha Ramdas Bhatkal	1,920,200	10.63
6.	Mr. Anant Ratnakar Gawande	1,920,200	10.63
7.	Mr. Shivanand Shankar Mankekar	1,258,800	6.97
8.	Mr. Kedar Shivanand Mankekar	275,440	1.52
9.	Mr. Prashant Bharat Desai	157,480	0.87
10. (a)	Maheshwari Equity Brokers Private Limited	126,000	0.70
(b)	Avenue Stock Brokers (India) Private Limited	126,000	0.70
(c)	Pivotal Securities Private Limited	126,000	0.70
(d)	Sanguinity Trading Company Private Limited	126,000	0.70
(e)	Mr. Jasbir Singh Madan	126,000	0.70
	TOTAL	16,643,160	92.12

**Details as on date of this Red Herring Prospectus, our Company has only 56 members on the aforesaid date*

(b) Top ten shareholders of our Company as on ten days prior to the date of this Red Herring Prospectus:*

Sr. No.	Name of Shareholder	Number of Equity Shares held	Percentage
1.	Mr. Girish Madhukar Talwalkar	2,864,280	15.85
2.	Mr. Prashant Sudhakar Talwalkar	2,864,280	15.85
3.	Mr. Madhukar Vishnu Talwalkar	2,832,280	15.68
4.	Mr. Vinayak Ratnakar Gawande	1,920,200	10.63
5.	Mr. Harsha Ramdas Bhatkal	1,920,200	10.63
6.	Mr. Anant Ratnakar Gawande	1,920,200	10.63
7.	Mr. Shivanand Shankar Mankekar	1,258,800	6.97
8.	Mr. Kedar Shivanand Mankekar	275,440	1.52
9.	Mr. Prashant Bharat Desai	157,480	0.87

10. (a)	Maheshwari Equity Brokers Private Limited	126,000	0.70
(b)	Avenue Stock Brokers (India) Private Limited	126,000	0.70
(c)	Pivotal Securities Private Limited	126,000	0.70
(d)	Sanguinity Trading Company Private Limited	126,000	0.70
(e)	Mr. Jasbir Singh Madan	126,000	0.70
	TOTAL	16,643,160	92.12

*Our Company had only 56 members on the aforesaid date

(c) Top ten shareholders of our Company two (2) years prior to date of this Red Herring Prospectus:*

Sr. No.	Name of Shareholder	Number of Equity Shares held	Percentage
1.	Mr. Madhukar Vishnu Talwalkar	35,403	18.00
2.	Mr. Girish Madhukar Talwalkar	35,403	18.00
3.	Mr. Prashant Sudhakar Talwalkar	35,403	18.00
4.	Mr. Vinayak Ratnakar Gawande	23,602	12.00
5.	Mr. Harsha Ramdas Bhatkal	23,602	12.00
6.	Mr. Anant Ratnakar Gawande	23,602	12.00
7.	Mr. Shivanand Shankar Mankekar	15,735	8.00
8.	Mr. Kedar Shivanand Mankekar	3,443	1.75
9.	Ms. Laxmi Shivanand Mankekar	491	0.25
10. (a)	Ms. Rutika Samtani	1	0.00
(b)	Mr. Animesh Kumar	1	0.00
(c)	Ms. Nanda Girish Talwalkar	1	0.00
	TOTAL	196,687	100.00

*Our Company had only 12 members on the aforesaid date

13. Our Promoters and Promoter Group will not participate in this Issue.

14. Save and except as mentioned below, our Promoters, Promoter Group and Directors and their immediate relatives have not purchased, sold; or financed the purchase or sale any securities of our Company in past six (6) months preceding the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the person / entity	Promoter / Director / Promoter Group / Director of Promoter Group	Number of Equity Shares	Transfer Allotment	Date of Transfer / Allotment
1.	Mr. Madhukar Vishnu Talwalkar	Promoter	5	Transfer (Purchase)	August 08, 2009
2.	Mr. Prashant Sudhakar Talwalkar	Promoter	5	Transfer (Purchase)	August 08, 2009
			4000	Allotment	October 05, 2009
3.	Mr. Vinayak Ratnakar Gawande	Promoter	4	Transfer (Purchase)	August 08, 2009
			1	Transfer (Purchase)	August 24, 2009
			4000	Allotment	October 05, 2009
4.	Mr. Girish Madhukar Talwalkar	Promoter	5	Transfer (Purchase)	August 08, 2009
			4000	Allotment	October 05, 2009
5.	Mr. Harsha Ramdas Bhatkal	Promoter	4	Transfer (Purchase)	August 08, 2009
			4000	Allotment	October 05, 2009
			1	Transfer (Purchase)	October 09, 2009
6.	Mr. Anant Ratnakar Gawande	Promoter	5	Transfer (Purchase)	August 08, 2009
			4000	Allotment	October 05, 2009

Sr. No.	Name of the person / entity	Promoter / Director / Promoter Group / Director of Promoter Group	Number of Equity Shares	Transfer Allotment	Date of Transfer / Allotment
7.	Mr. Manohar Gopal Bhide	Director	787	Allotment	October 05, 2009
8.	Dr. Avinash Achyut Phadke	Director	8,000	Allotment	October 05, 2009
9.	Better Value Leasing and Finance Limited	Promoter Group	3,152	Allotment	October 05, 2009
10.	Mr. Nitin Ratnakar Gawande	Immediate Relative of Promoter	4	Transfer (Sale)	August 08, 2009

15. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering this Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours (24) of such transaction.

16. Our Company has not made any public issue since its incorporation.

17. We presently do not have any intention to issue further capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing this Red Herring Prospectus with SEBI until the Equity Shares issued / proposed to be issued pursuant to the Issue have been listed.

18. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

19. Save and except as stated below, there has been no allotment of Equity Shares that may be at a price lower than the Issue Price within the last twelve (12) months from the date of this Red Herring Prospectus:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration
October 05, 2009 ¹	291,339	10	635 [#]	Further allotment on account of Private Placement	Cash
November 16, 2009 ²	15,807,463	10	Nil	Bonus Issue in the ratio of 7:1	Other than cash

[#] This price (after adjusting the issuance of Bonus on November 16, 2009 against these shares) i.e Rs.79.38 per share, may be lower than the issue price at which the proposed public offering is to be made.

¹ Following members were allotted equity shares of our Company pursuant to Private Placement:

Sr. No	Name of the shareholders	Category	No. of Equity Shares	Pre- Issue Shareholding (%)
1	Prashant Sudhakar Talwalkar	Promoter Director	4,000	0.02%
2	Vinayak Ratnakar Gawande	Promoter Director	4,000	0.02%
3	Anant Ratnakar Gawande	Promoter Director	4,000	0.02%
4	Harsha Ramdas Bhatkal	Promoter Director	4,000	0.02%
5	Girish Madhukar Talwalkar	Promoter Director	4,000	0.02%
6	Better Value Leasing and Finance Limited	Promoter Group	3,152	0.02%
7	Avinash Achyut Phadke	Independent Director	8,000	0.04%
8	Manohar Gopal Bhide	Independent Director	787	0.00%
9	Others*	Public	259,400	1.44%
	Total		291,339	1.61%

* includes 36 shareholders namely India Infoline Investment Services Limited; Prashant Desai; Maheshwari Equity Brokers Pvt. Ltd.; Avenue Stock Brokers (India) Pvt. Ltd; Pivotal Securities Pvt. Ltd.; Chanakya Corporate Services Pvt. Ltd.; Surplus Finvest Pvt. Ltd.; Jyotsna Vishwas Shinde; Jayesh Arvind Parekh; Jayesh N. Parekh ; Hina Kirti Doshi; Nikhil Vora ; Ajay Dilkhush Sarupria ; Aditya Kishore Afzulpurkar; Kishore Kishanrao Afzulpurkar; Homji Kaikushroo Colah; Shikha Chandak; Bapsy j.

Vazifdar; Ramesh S. Damani; Animesh Kumar; M.P. Jain HUF; Rajesh Bhogilal Bhanshali ; Santosh Desai; Kars Foods India Pvt. Ltd.; Sanjay Shyamal Sharma; Kaviraj Securities Pvt. Ltd.; Mona Premal Mehta; Rutika Santani; Inga Management and Investment Pvt. Ltd.; Manish Purohit ; Berkshire Advisors Pvt. Ltd.; Tushar Vinod Mehta; Mona Premal Mehta; Veer Munshi; Sanyogita Sanjeev Deo; Poonam Adarsh Nigam.

²Following members were allotted equity shares of our Company pursuant to Bonus Issue:

Sr. No.	Name of the shareholders	Category	No. of Equity Shares	Pre- Issue Shareholding (%)
1	Girish Madhukar Talwalkar	Promoter Director	2,506,245	13.87%
2	Prashant Sudhakar Talwalkar	Promoter Director	2,506,245	13.87%
3	Madhukar Vishnu Talwalkar	Promoter Director	2,478,245	13.72%
4	Vinayak Ratnakar Gawande	Promoter Director	1,680,175	9.30%
5	Anant Ratnakar Gawande	Promoter Director	1,680,175	9.30%
6	Harsha Ramdas Bhatkal	Promoter Director	1,680,175	9.30%
7	Better Value Leasing And Finance Limited	Promoter Group	22,064	0.12%
8	Avinash Achyut Phadke	Independent Director	56,000	0.31%
9	Manohar Gopal Bhide	Independent Director	5,509	0.03%
10	Others **	Public	3192,630	17.67%
	Total		15,807,463	87.50%

****which includes 40 shareholders namely Shivanand Shankar Mankekar; Kedar Shivanand Mankekar; Prashant Desai Maheshwari Equity Brokers Private Limited; Avenue Stock Brokers (India) Private Limited; Pivotal Securities Private Limited; Sanguinity Trading Company Private Limited; Jasbir Singh Madan; Il & Fs Trust Company Limited - Trustee (Azavedo Family Trust); Surplus Finvest Private Limited; Chanakya Corporate Services Pvt. Ltd.; Jyotsna Vishwas Shinde; Jayesh Arvind Parekh; Hina Kirti Doshi; Ajay Dikhush Sarupria; Jayesh N. Parekh; Nikhil Vora; Aditya Kishore Afzulpurkar; Kishore Kishanrao Afzulpurkar; Laxmi Shivanand Mankekar; Homji Kaikushroo Colah; Shikha Chandak; Bapsy J. Vazifdar; Ramesh S. Damani; Animesh Kumar; Kars Foods India Pvt. Ltd.; Rajesh Bhogilal Bhanshali; M.P. Jain HUF; Santosh Desai; Sanjay Shyamal Sharma; Mona Premal Mehta; Kaviraj Securities Pvt. Ltd.; Rutika Santani; Inga Management and Investment Private Limited; Manish Purohit; Berkshire Advisors Private Limited; Tushar Vinod Mehta; Veer Munshi; Sanyogita Sanjeev Deo; Poonam Adarsh Nigam.**

20. Our Company has not issued any Equity Shares out of revaluation reserves. Our Company has not revalued its assets since incorporation.
21. Our Company has not raised any bridge loan against the proceeds of the Issue.
22. The Issue is being made through the 100% Book Building Process wherein atleast 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for Allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
23. Under subscription, if any, in the Non-Institutional Portion or Retail Portion shall be allowed to be met with spillover from the other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price. In case of under subscription in the QIB Portion the same shall not be available to other categories and full subscription monies shall be refunded. ***The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.***
24. Investors may note that incase of over subscription, if any, in the Issue allotment shall be made on proportionate basis to QIBs, Non-Institutional Bidders and Retail Individual Bidders and will be finalised by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of one (1), while finalising the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

26. Our Company, our Promoters, our Directors and the BRLM have not entered into any buy back, standby or similar arrangements for the purchase of Equity Shares from any person.
27. None of our Promoter Groups, Directors or their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing draft offer document with the Board.
28. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on date. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up shares.
29. Equity Shares offered through Issue shall be made fully paid up on Application or may be forfeited for non-payment of calls within twelve (12) months from the date of Allotment.
30. As per the extant policy, OCBs are not permitted to participate in the Issue. Sub accounts of FIIs who are foreign corporates or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.
31. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any Equity Shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme. As and when options are granted to our employees under any ESPS, our Company shall comply with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999.
32. As on the date of this Red Herring Prospectus, there are no outstanding warrants, options or debentures or other financial instruments issued by our Company, which would entitle our Promoter or shareholders of our Company or any other person an option to receive Equity Shares of our Company. Further, there are no loans which are convertible into Equity Shares of our Company.
33. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
34. A Bidder cannot make a Bid for more than the number of Equity Shares offered to the public through the Issue, subject to maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. We have availed financial facilities from Union Bank of India. In respect of various agreements entered into by our Company with our lenders and sanction letters issued by our lenders to us, we are bound by certain restrictive covenants, including those in relation to our capital structure. For further details on the restrictive covenants contained in the financing documents, please refer to chapter titled "*Financial Indebtedness*" beginning on page 190 of this Red Herring Prospectus.
36. No payment, direct or indirect, in the nature of discount, allowance, commission or otherwise, shall be made either by us or our Promoters to the persons who receives Allotments, if any, in this Issue.

OBJECTS OF THE ISSUE

Talwalkars Better Value Fitness Limited, operating health clubs under the brand name “Talwalkars” has today, become one of the largest fitness chain in India (as per the statistics of IHRSA 2008 Asia Pacific Report). As on the date of this Red Herring Prospectus, we have 58 health clubs dotting across 28 cities in India with over 55,000 members. To excel our growth we intend to increase our presence and reach further broadening our member base.

The objects of the Issue are: (1) setting up of additional health clubs; (2) repay certain unsecured loans availed by us; and (3) meet Issue related expenses.

Our Company believes that listing will enhance our Company’s brand name further and create a public market for its Equity Shares in India. The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake existing activities as well as the activities for which the funds are being raised through this Issue.

Requirement of Funds and Schedule of Deployment of Funds

The details of the utilization of proceeds of this Issue are as per the table set forth below:

(Amount in Rupees Million)

Particulars	Fund Requirement	Estimated Deployment of Funds in Fiscal 2011
Setting up of additional health clubs*	502.20	502.20
Repayment of unsecured loans	205.92	205.92
Meeting Issue related expenses**	•	•
Total	•	•

*we have not accounted for contingencies and price escalations in calculating the fund requirements

**will be incorporated at the time of filing of Prospectus

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

Means of Finance

The aforementioned fund requirement will be met entirely from the proceeds of this Issue. In case of shortfall, if any, we may explore other sources of funds including internal accruals arising from our future operations and/or debt. In case of any variations in the actual utilization of funds earmarked for the objects mentioned above or in case of increased fund requirements for a particular object, the shortfall, if any, may be financed by surplus funds, if any, available for other objects and/or our Company’s internal accruals and/or working capital loans that may be availed from the banks/financial institutions, to the extent of such shortfall. Any surplus from the proceeds of the Issue after meeting the objects mentioned above, if any, will be used for our general corporate purposes.

In view of the dynamic nature of our industry, we may have to revise our business plans from time to time and consequently our fund requirements may also change, which may include rescheduling or re-working of our expansion. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management / Board. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays; and changes in management’s views of the desirability of current plans, among others.

Since the entire fund requirement will be met entirely from the proceeds of this Issue, there is no requirement for any other firm arrangements of finance. Thus we are in compliance with the Regulation 4(2)(g) of the SEBI Regulations for firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Issue, as the same does not apply to us.

Details of Objects of the Issue

1. Setting up of additional health clubs

A key factor in the growth of our business is our ability to increase our member base and number of health clubs. We have grown our number of owned health clubs at an annualised rate of over 50% for the last three financial years ending March 31, 2010. As per our current business plans we will be adding 27 owned health clubs by the end of fiscal 2011.

We intend to use the proceeds of this Issue to fund our setting up of 27 owned health clubs during the fiscal 2011. The estimated cost break-up of a health club is given below:

Particulars	Amount in Rupees Million
a. Interior Costs (for an average area of 5000 square feet)	7.75
b. Cost of Gymnasium Equipment	5.35
c. Other infrastructure related Costs	3.50
d. Deposit	1.00
e. Pre-operative Costs	1.00
Total estimated cost involved for setting up a health club	18.60
Number of health clubs planned for the fiscal 2011	27
Total	502.20

Based on the above estimates the total cost involved in setting up of 27 owned health clubs during the fiscal 2011 is Rs. 502.20 million which will be met out of proceeds from this Issue.

All the costs to be incurred and equipment required to be purchased pursuant to this Object of the Issue will be sourced either through domestic market or will be imported. We have estimated the requirement of equipment and based our cost estimates on the quotations / purchase orders of manufacturers / suppliers of equipment, prevailing market prices and / or our internal estimates. Wherever we have relied upon quotations / purchase orders, we have specified the necessary details in relation to the same.

a. Interior Costs

The interior cost involved in setting up of a health club for approximately an average floor space of 5000 square feet and at an estimated rate of Rs.1550/- per square feet translates to Rs. 7.75 Million for a health club. The cost of interior involves civil works, carpentry, electrical, plumbing, structural, painting and other infrastructure related costs including architect's professional fees.

We have obtained few quotations from interior contractors with whom we regularly deal with to estimate this cost.

b. Cost of Gymnasium Equipment

The quality of a health club lies in the equipment it provides to its members. Gymnasium equipment required for a health club comprises of Cardio, Strength and Free Weights. We import our Cardio equipment from overseas suppliers viz., Precor based in the US and Strength equipment from Shanxi Orient (branded "Explore") from China and Hoist Fitness Systems from the US. Our Free Weight equipment are mostly procured from a supplier Rebar from China.

Our typical health club spread over an average floor space of 5000 square feet would include the following:

A. Cardio Equipment:

Cardio Equipment	Units	Estimated Cost Per Unit (Rs.)*	Estimated Cost (Rs. in Millions)
Treadmill	8	251,000	2.01
Elliptical Cross Trainers	3	232,500	0.70
Upright Bike	3	84,500	0.25
Recumbent Bike	2	98,500	0.20

Advanced Motion Trainer	1	297,500	0.30
Stretch Trainer	1	30,000	0.03
Total			3.49

**as converted at the exchange rate of USD i.e. Rs.46.51 as on December 01, 2009 and inclusive of freight and insurance, custom duty and clearance charges.*

We have estimated the above costs based on the purchase order dated October 1, 2009 raised by Precor for our last order placed with them.

B. Strength Equipment:

The Strength Equipment comprise of equipment relating to upper body, torso and lower body work-outs. The costs involved for all of these equipment i.e. 20 such work-out equipment translates to an approximate cost of Rs.1.55 million.

These costs have been estimated based on the Proforma Invoice dated November 12, 2009 raised by Shanxi Orient Fitness & Health Industry Co. Ltd. and Proforma Invoice dated November 19, 2009 raised by Hoist Fitness Systems for our last orders placed with them.

C. Free Weights:

The Free Weight equipment normally required for our health club include dumbbells, plates and bars. The approximate cost involved in procuring these equipment for a typical health club is Rs.0.31 million. This cost has been estimated based on the commercial invoice dated October 13, 2009, raised by Rebar from China.

c. Other infrastructure related Costs

Other infrastructure related costs for a health club comprise of air conditioners, diesel generator sets, stabilizer, UPS, music system, steam boiler, computers, etc. which, based on our estimates, would approximately amount to Rs.3.5 million.

d. Deposit

Deposit for a floor space of 5000 square feet health club for the period of 6 months approximately translate to Rs.1 million.

e. Pre-operative Costs

Pre-operative Costs for a health club consists of training and induction, travelling and other preliminary expenses prior to commencement of its operations which, based on our estimates, approximates to Rs. 1 million.

None of the issue proceeds would be utilized directly / indirectly for acquisition of the gyms/health clubs/etc. currently owned by promoters or persons/entities forming part of the promoter group.

2. Repayment of unsecured loans

We have from time to time availed unsecured loans from our Promoters, Promoter Group and others. These loans were primarily used for the purpose of financing capital expenditure for roll out of our health clubs over the years.

We operate a total of 58 health clubs as on the date of this Red Herring Prospectus, of which we own 44 health clubs and the rest are operated either through franchisees or through joint ventures. We have grown our number of owned health clubs at an annualized growth rate of over 50% in the last three financial years. To continuously grow ourselves we have made investments in the form of capital expenditures on these rolled out health clubs.

In this context some of our Promoters, Promoter Group Companies and others have extended loans to us from time to time. We have historically depended on the financial assistance provided by them in order to help fund our expansion plans, as well as improvements to our existing infrastructure and other business requirements. These financial assistances have been instrumental to our growth over the years and in procuring debt facilities from our bankers including our existing banker, Union Bank of India, on favorable terms against such financial support.

Following are the details of the loans availed from our Promoter Group Companies and others to whom we propose to repay from the proceeds of this Issue:

Name of the Lending Entity	Principal loan Amount (in Rs. Million)	Outstanding loan Amount as on Mar. 15, 2010 (in Rs. Million)	Outstanding loan Amount as on Nov. 17, 2009 (in Rs. Million)	Date of origination of loan	Loan Period	Repayable By	Applicable rate of interest for Fiscal 2010 [@]
PROMOTER GROUP COMPANIES							
Better Value Leasing And Finance Limited*	120.00	97.08	82.14	June 1, 2003	87 Months	August 31, 2010	14.75%
Gawande Consultants Private Limited*	50.00	36.13	24.66	June 1, 2003	87 Months	August 31, 2010	14.75%
Popular Prakashan Private Limited [§]	60.00	53.05	50.12	April 1, 2006	5 Years	March 31, 2011	14.75%
Total (A)	230.00	186.26	156.92				
OTHERS							
Supressa Graphics Private Limited	40.00	24.33	24.64	April 01, 2007	36 months + 12 months [#]	March 31, 2011	14.75%
Tribhovandas Bhimji Zaveri & Bros. Private Limited	30.00	23.60	24.36	April 01, 2008	3 Years	March 31, 2011	14.75%
Total (B)	70.00	47.93	49.00				
Total (A+B)	300.00	234.19	205.92				

[@]12% p.a. or UTI Bank's BPLR (i.e. now Axis Bank's BPLR), whichever is higher.

*for the purpose of the business of the Company or other matters beneficial to the business of the Company including rollout of gyms and related infrastructure.

[§]for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.

[#]The tenure is extended by 12 months at an additional 1% over the applicable rate of interest with effect from April 01, 2010 vide letter dated March 05, 2010.

As on November 17, 2009, total unsecured loans outstanding were Rs. 290.18 million out of which unsecured loans outstanding from these entities were Rs. 205.92 million. Out of this amount we have repaid Rs. 1.07 million after filing of the DRHP and the balance Rs. 204.85 million will be repaid from the Issue Proceeds. For the specific details and description of these unsecured loans please refer to the chapter titled "Financial Indebtedness" beginning on page 190 of this Red Herring Prospectus.

We may repay the above loans when due, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue. We believe our repayment of interest bearing debt will help us to reduce our costs towards 'Interest and Finance Charges' and will improve our net earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards further expansion.

3. Meeting Issue related Expenses

The Issue related expenses includes, lead management fees, underwriting fees, selling commission, printing and distribution expenses, etc. The break-up of the estimated expenses of the Issue is as follows:

Amount (in Rupees Million)

Activity	Expenses*	As a % of Total Issue Expenses	As a % of Total Issue Size
Issue Management Fees (Lead Management, Underwriting & Selling Commission)	[•]	[•]	[•]
Advertisement & Marketing Expenses	[•]	[•]	[•]
Printing, Stationery & Distribution Expenses	[•]	[•]	[•]
IPO Grading Expenses	[•]	[•]	[•]
Others (including Legal Advisors Fee, Auditors Fee, Registrars Fee, SCSB commission, Regulatory Fees including filing fees paid to SEBI and Stock Exchanges)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

*will be completed after finalisation of the Issue price

Pursuant to Regulation 26(7) of the SEBI Regulations our Company needs to obtain grading for this IPO from at least one credit rating agency. In this regard we have appointed Credit Analysis & Research Limited ('CARE'). The total expenses for IPO Grading are estimated to be Rs. [•] million, which is [•] % of the Issue size.

Any surplus from the proceeds of the Issue after meeting the objects mentioned above, if any, will be used for our general corporate purposes including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, partnerships, joint ventures, strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

Working Capital Requirement

The proceeds of the Issue will not be used to meet our working capital requirements as we expect to have internal accruals, avail debt and/or draw down from our existing or new lines of credit to meet our existing working capital requirements.

Deployment of Funds

Funds Deployed

We have incurred an amount of Rs. 8.07 million till March 26, 2010 relating to the Objects of the Issue which has been certified by our statutory auditors Saraf Gurkar and Associates, Chartered Accountants *vide* their certificate dated March 26, 2010. Of these, Rs. 1.07 million has been utilized for repayment of unsecured loans and Rs. 7.0 million has been incurred towards Issue expenses and both of these have been financed through internal accruals of our Company.

Proposed Deployment of Funds

We may make payments toward our Objects of the Issue, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue.

Appraisal

The funds requirement and funding plans are our own estimates and have not been appraised by any bank/ financial institution or appraising agency.

Interim Use of Proceeds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration as permitted under the SEBI Regulations or we may temporarily utilize the proceeds for reducing our outstanding overdrafts. Such investments and other utilizations would be in accordance with investment policies approved by our Board or any committee thereof duly empowered, from time to time. Our Company confirms that pending utilization of the Issue proceeds; it shall not use the funds for any investments in the equity markets

Monitoring of Utilisation of Funds

Our Board will monitor the utilization of the proceeds of the Issue. No part of the proceeds from this Issue will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, except in the usual course of business. We will disclose the details of the utilisation of the proceeds, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the listing agreement.

Furthermore, pursuant to clause 49 of the listing agreements with the Stock Exchanges, we shall disclose to the Audit Committee, the uses and application of funds under the heads as specified above, on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the Prospectus, if any, and place it before the Audit Committee. Such disclosure shall be made only till such time that the full money raised through this Issue has not been fully spent. This statement shall be certified by the statutory auditors of the Company. The Audit Committee shall make appropriate recommendations to the Board to take up steps in this matter.

Our Company shall inform material deviations in the utilization of Issue proceeds to the Stock Exchanges and shall also simultaneously make the material deviations/adverse comments of the Audit Committee public through advertisement in newspapers.

BASIC TERMS OF THE ISSUE

Principal Terms & Conditions of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus and other terms and conditions as may be incorporated in the Prospectus, Bid-cum-Application Form, ASBA Form, allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on November 09, 2009 authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the EGM of shareholders held on November 09, 2009.

The Company has obtained in-principle listing approvals dated February 05, 2010 and January 28, 2010 from the BSE and the NSE, respectively. The Company has also obtained necessary contractual approvals required for the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details of the Articles of Association of our Company please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 296 of this Red Herring Prospectus.

Mode of Payment of Dividend

The payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10/- each are being issued in terms of this Red Herring Prospectus at a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares.

Compliance with SEBI (ICDR) Regulations

We shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Prohibition by SEBI

Our Company, our Directors, our Promoters, directors or the person(s) in control of our Promoters, Group Companies, companies in which we have substantial shareholding and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Further, our Directors, Promoters and Group Companies have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Articles of Association of our Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer section titled "*Main Provisions of the Articles of Association* " beginning on page 296 of this Red Herring Prospectus.

Promoter Group

The member of the promoter Group will not be eligible to participate in this Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI (ICDR) Regulations, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to a minimum Allotment of 50 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Nomination Facility to the Investors

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of the death of the sole Bidder or in the case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) and in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) and by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or from the Registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by our Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the Allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no requirement to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors wish to change the nomination, they will have to inform their respective Depository Participants.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount, amount with interest as per Section 73 of the Companies Act. Further, in accordance with sub-regulation (4) of Regulation 26 of the SEBI (ICDR) Regulations we shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000. If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company become liable to refund the subscription amount (i.e., 60 days from the Bid Closing Date), our Company shall pay interest prescribed under Section 73 of the Companies Act.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Notice To QIB Bidders: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar to the Issue on the basis of Bids received. Based on the electronic book, QIB Bidders will be sent a CAN indicating the number of Equity Shares that are being allocated to them. However, within a few days thereafter but prior to the Board meeting for final Allotment of Equity Shares in the Issue, the Registrar to the Issue will also prepare a physical book, which may be different from the electronic book. This is because certain applications in the Non-Institutional Portion and Retail Portion may be rejected due to non-receipt of funds, cancellation of cheque, cheque-bouncing, incorrect details, technical rejections, etc, and these rejected applications may not be reflected in the electronic book but will be reflected in the physical book. As a result, additional Equity Shares may be available for allocation in the QIB Portion provided the QIB Portion is over-subscribed and the Non-Institutional Portion and Retail Portion are not fully subscribed. In such event, QIB Bidders may receive an increased allocation of Equity Shares and such increase in allocation will be reflected in a revised CAN that is sent to QIB Bidders.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting except as provided in our Articles. For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 296 of this Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before Allotment in this Issue, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue shall also be subject to:

- I. The final listing and trading approvals of the stock exchanges, which our Company shall apply for after Allotment;
- II. The final RoC approval for the Prospectus, after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI -Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Application by Non Residents/NRIs/FIIs / FVCIs

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of allocation.

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the chapter titled “Risk Factors” and “Financial Statements” beginning on pages xii and 145 respectively, of this Red Herring Prospectus, to get a more informed view before making the investment decision. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

Qualitative Factors:

- **Brand Equity**
- **Standardized and Quality Offering**
- **Market Leadership**
- **Pan India Presence**
- **Promoters’ Experience and Expertise**
- **Proven Track Record**

For detailed discussion on the qualitative factors which form the basis for computing the price, please refer the chapter titled “Our Business” beginning on page 58 of this Red Herring Prospectus.

Quantitative Factors

The information presented in this section for the years ended March 31, 2007, 2008, 2009 and nine months period ended December 31, 2009, is derived from our audited restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. For details, please refer chapter titled “Financial Statements” beginning on page 145 of this Red Herring Prospectus.

As of date of this Red Herring Prospectus, the face value of the Equity Shares of our Company is Rs. 10/- per equity share. Investors should evaluate the Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings Per Share (“EPS”)

EPS of face value of Rs. 10/-

Financial Period	Weight	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2007	1	0.72	0.69
Year ended March 31, 2008	2	2.88	2.87
Year ended March 31, 2009	3	3.61	3.61
Weighted Average		2.89	2.88
Nine Months period ended December 31, 2009		2.41	2.40

Note:

- a) Earnings per share calculations are in accordance with Accounting Standard – 20 ‘Earnings per Share’ issued by the Institute of Chartered Accountants of India.
- b) The face value of each Equity Share is Rs. 10/-.
- c) Earnings figures used are those after extra-ordinary items.
- d) The Basic earnings per share (Rs.) are calculated by dividing the net profit after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- e) The Diluted earnings per share (Rs.) has been computed by dividing net profit after tax, as restated, attributable to equity shareholders by weighted average number of dilutive potential equity shares outstanding during the period.

2. Price Earnings Ratio ('P/E Ratio') in relation to the Issue Price of Rs. [●] per share of Rs. 10 each

Particulars	At the Floor Price of Rs. 123/-	At the Cap Price of Rs. 128/-
➤ Based on weighted average (basic EPS)	42.56	44.29
➤ Based on weighted average (diluted EPS)	42.71	42.44
➤ Based on EPS as on March 31, 2009	34.07	35.46

3. Industry Price Earnings Ratio ('P/E Ratio')

There are no comparable listed companies with the same business as our Company and hence Industry PE is not available.

4. Return on Net Worth ('RoNW')

Financial Period	Weight	RoNW (%)
Year ended March 31, 2007	1	15.27
Year ended March 31, 2008	2	38.77
Year ended March 31, 2009	3	33.30
Weighted Average		32.12
Nine Months period ended December 31, 2009		10.94

Note: The RoNW has been computed by dividing net profit after tax as restated by net worth, excluding revaluation reserve, if any, at the end of the year.

5. Minimum Return on Increased Net Worth required to maintain Pre-Issue annualised diluted EPS for the year ended March 31, 2009 is [●] %

Note: Net Worth means Equity Share Capital + Reserves and Surplus

6. Net Asset Value ('NAV') per Equity Share

NAV as at December 31, 2009	: Rs. 21.72 per Equity Share
NAV as at March 31, 2009	: Rs. 10.85 per Equity Share
NAV after the Issue	: Rs. [●] per Equity Share
Issue Price*	: Rs. [●] per Equity Share

* Issue Price per share will be determined on conclusion of book building process.

NAV per Equity Share for the years ended March 31, 2007, 2008 and 2009 is as follows:

Financial Period	Weight	Net Asset Value per Equity Share (Rs.)
Year ended March 31, 2007	1	3.69
Year ended March 31, 2008	2	7.40
Year ended March 31, 2009	3	10.85
Weighted Average		8.51
Nine Months period ended December 31, 2009		21.72

Note: The NAV per share has been computed by dividing net worth, as restated, excluding revaluation reserve, if any, at the end of the year/period by weighted average number of equity shares outstanding at the end of the year/period.

7. Comparison with Industry Peers

As our Company is one of the organized players in the health and fitness industry and since there are no Indian listed entities, there are no comparable figures available with us.

The details on the comparison of accounting ratios of our Company with other listed entities has not been given as our Company offering a diverse suite of services including gyms, spas, aerobics and health counselling and there are no listed peers in the same line of business.

The Issue Price will be determined by the Company, in consultation with the BRLM, on the basis of assessment of market demand from the potential investors for the Equity Shares through the Book Building Process. The face value of the Equity Shares is Rs.10/- each and the Issue Price is 12.3 times the face value at the lower end of the Price Band and 12.8 times the face value at the higher end of the Price Band.

The BRLM believe that the Issue Price of Rs. [●]/- per Equity Share is justified in view of the above qualitative and quantitative parameters. For further details and to have a more informed view, please refer to the chapter titled “*Risk Factors*” and “*Financial Statements*” beginning on pages xii and 145 respectively of this Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditor’s Report stated in this Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

March 26, 2010

To,
The Board of Directors,
TALWARKARS BETTER VALUE FITNESS LIMITED
Mumbai - 400 026

Dear Sirs,

We hereby confirm that the enclosed statement, prepared by the Company, states the possible tax benefits available to **TALWARKARS BETTER VALUE FITNESS LIMITED** ('the Company') and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India. We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable have been/would be met.

Yours faithfully,

For **SARAF GURKAR & ASSOCIATES**
Chartered Accountants

S. L. SARAF
Partner
M. No. 030866
Place: Mumbai

1. **SPECIAL TAX BENEFITS :**

BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company.

BENEFITS TO THE SHARE HOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

2. **OTHER TAX BENEFITS :**

BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961.

1. Under Section 10(34) of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other Company referred to in Section 115-O on or after April 1, 2004 is completely exempt from tax in the hands of the Company.
2. Under Section 10(35) of the Act, income in respect of units of Mutual Funds specified under clause (23D) in the hands of the company on or after April 1, 2004 is completely exempt from tax in the hands of the Company.
3. As per the provisions of Section 112 (1) (b) of the Act, long-term capital gains would be subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), the long term capital gains resulting on transfer of listed securities or units (not covered by section 10(36) and 10(38)), would be subject to tax at the rate of @ 20% with indexation benefits or 10% without indexation benefits (plus applicable surcharge and education cess) as per the option of the assessee.
4. Long term capital gain arising from transfer of an 'Eligible Equity Share' in a company Purchased on or after the 1st day of March, 2003 and before the 1st day of March, 2004 (both days inclusive) and held for a period of 12 months or more is exempt from tax under section 10(36) of the Act.
5. As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.
6. As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 15% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
7. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the Company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and section 10(38)) if such capital gain is invested in any of the long-term specified assets in the manner prescribed in the said section provided that the investment made on or after 1.4.2007 in the long term specified asset during any financial year does not exceed fifty lakh rupees. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
8. As per the inserts by the Finance (No.2) Act, 2009, under Section 115WM, the provisions of the Fringe Benefit Tax shall not apply to the Company with effect from Income Tax Assessment year 2010-2011.

BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961

1. Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.

2. As per the provisions of Section 112 of the Act, long-term capital gains would be subject to tax at the rate of 20% (plus applicable education cess). However, as per the proviso to Section 112(1), the long term capital gains resulting on transfer of listed securities or units (not covered by sections 10(36) and 10(38)), would be subject to tax at the rate of @ 20% with indexation benefits or 10% without indexation benefits (plus applicable education cess) as per the option of the assessee.
3. As per the provisions of section 10(38), long term capital gains arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and the sale is subject to Securities Transaction tax.
4. As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 15% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
5. As per the provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable securities, he shall be entitled to a deduction, from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section.
6. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on gains arising on transfer of their shares in the Company (not covered by sections 10(36) and 10(38)), if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section provided that the investment made on or after 1.4.2007 in the long term specified asset during any financial year does not exceed fifty lakh rupees. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long-term specified asset is transferred or converted into money.
7. In accordance with and subject to the conditions and to the extent specified in Section 54ED of the Act, the shareholders would be entitled to exemption from long term capital gain tax on transfer of their assets being listed securities or units (not covered by sections 10(36) and 10(38)), to the extent such capital gain is invested in acquiring Equity Shares forming part of an 'eligible issue of share capital' in the manner prescribed in the said section.
8. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled to exemption from long term capital gains on the sale of shares in the Company (not covered by sections 10 (36) and 10 (38)), upon investment of net consideration in purchase /construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains shall be charged to tax as long-term capital gains in the year in which such residential house is transferred.

BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS

1. Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.
2. In the case of shareholder being a non-resident Indian and subscribing to shares in convertible foreign exchange, in accordance with and subject to the conditions and to the extent specified in Section 115D read with Section 115E of the Act, long term capital gains arising from the transfer of an Indian company's shares (not covered by sections 10(36) and 10(38)), will be subject to tax at the rate of 10% as increased by a education cess at an appropriate rate on the tax so computed, without any indexation benefit but with protection against foreign exchange fluctuation.

3. In case of a shareholder being a non-resident Indian, and subscribing to the share in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the Act, the non resident Indian shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the transfer of shares in the Company upon investment of net consideration in modes as specified in sub-section (1) of Section 115F.
4. In accordance with the provisions of Section 115G of the Act, Non Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
5. In accordance with the provisions of Section 115H of the Act, when a Non Resident Indian become assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
6. As per the provisions of section 115 I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.
7. In accordance with and subject to the conditions and to the extent specified in Section 112 of the Act, tax on long term capital gains arising on sale on listed securities or units not covered by sections 10(36) and 10(38) will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by Education cess at an appropriate rate on the tax so computed in either case.
8. As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.
9. As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 15% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
10. As per the provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable securities, he shall be entitled to a deduction, from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section
11. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10(36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section provided that the investment made on or after 1.4.2007 in the long term specified asset during any financial year does not exceed fifty lakh rupees. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.
12. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase / construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of

capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

13. As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

BENEFITS AVAILABLE TO OTHER NON-RESIDENTS

1. Under Section 10(34) of the Act, dividend (whether interim or final) declared, distributed or paid by the Company on or after 1st April 2004 is completely exempt from tax in the hands of the shareholders of the Company.
2. In accordance with and subject to the conditions and to the extent specified in Section 112 of the Act, tax on long term capital gains arising on sale on listed securities or units before 1st October 2004 will be, at the option of the concerned shareholder, 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits) as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case.
3. As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st of October 2004 and such sale is subject to Securities Transaction tax.
4. As per the provisions of section 111A, Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 15% provided such a transaction is entered into after the 1st day of October, 2004 and the transaction is subject to Securities Transaction Tax.
5. As per the provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable securities, he shall be entitled to a deduction, from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section
6. In accordance with and subject to the conditions and to the extent specified in Section 54EC of the Act, the shareholders would be entitled to exemption from tax on gains arising on transfer of their shares in the Company (not covered by sections 10(36) and 10(38)) if such capital gain is invested in any of the long term specified asset provided that the investment made on or after 1.4.2007 in the long term specified asset during any financial year does not exceed fifty lakh rupees. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.
7. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent specified in Section 54F of the Act, the shareholder would be entitled to exemption from long term capital gains (not covered by sections 10(36) and 10(38)) on the sale of shares in the Company upon investment of net consideration in purchase/construction of a residential house. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.
8. As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FII')

1. In case of a shareholder being a Foreign Institutional Investor (FII), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long term capital gain (not covered by sections 10(36) and 10(38)) will be 10% and on short term capital gain will be 30% as increased by a surcharge and education cess at an appropriate rate on the tax so computed in either case. However short term

capital gains on sale of Equity Shares of a company through a recognized stock exchange or a unit of an equity oriented mutual fund effected on or after 1st October 2004 and subject to Securities transaction tax shall be taxed @ 15% as per the provisions of section 111A. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FII.

2. As per the provision of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.
3. As per the provisions of section 10(38), long term capital gain arising from the sale of Equity Shares in any company through a recognized stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Income Tax if such sale takes place after 1st October 2004 and such sale is subject to Securities Transaction tax.
4. As per the provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable securities, he shall be entitled to a deduction, from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income as provided in the said section
5. In accordance with and subject to the conditions and to the extent specified in /section 54EC of the Act, the shareholders would be entitled to exemption from tax on long term capital gains (not covered by sections 10 (36) and 10(38)) arising on transfer of their shares in the Company if such capital gain is invested in any of the long term specified assets in the manner prescribed in the said section provided that the investment made on or after 1.4.2007 in the long term specified asset during any financial year does not exceed fifty lakh rupees. Where the long-term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified asset is transferred or converted into money.

BENEFITS AVAILABLE TO MUTUAL FUNDS

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES /FUNDS

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would exempt from Income Tax, subject to the conditions specified.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

As per the prevailing provisions of the above Act, no Wealth Tax shall be levied on value of shares of the Company.

BENEFITS AVAILABLE UNDER THE GIFT TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

1. All the above possible benefits are as per the current tax laws as amended by the Finance Act, 2009. The effect of the proposed Finance Bill 2010 has not been included in the above statement as the same is pending assent from the Parliament.
2. All the stated possible benefits are as per the current tax law and will be available only to the sole / first named holder in case the shares are held by joint holders.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has fiscal domicile.

4. In view of the individual nature of tax consequences, each investor is advised to consult his / her /its own tax advisor with respect to specific tax consequences of his / her /its participation in the scheme. The shareholder is also advised to consider in his / her / its own case, the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

SECTION IV – ABOUT OUR COMPANY

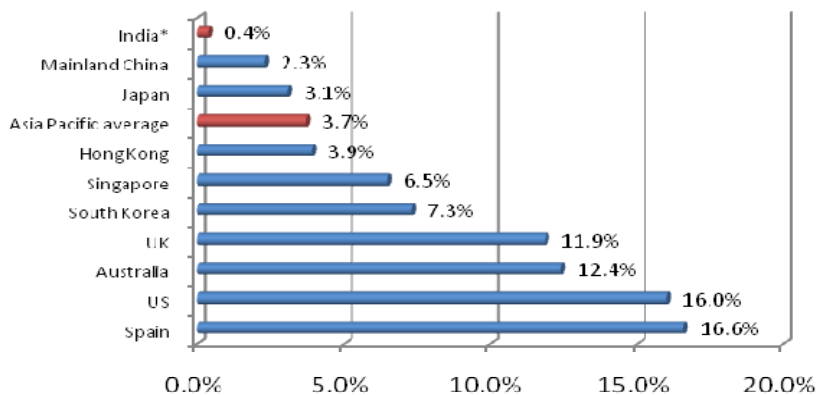
INDUSTRY OVERVIEW

The wellness services industry is a fast growing sector in India today. It encompasses a large number of service segments including beauty services (salon, treatment based beauty products), personal health counselling, rejuvenation (Yoga, Spas) and fitness segments. Within this, the Fitness segment, viz. Gyms, is experiencing healthy growth rates and currently has an estimated market size of USD 113mn. As of 2008, there are 765 fitness clubs in India with total membership of 0.23 million members. (Source: as per the statistics of The IHRSA Asia Pacific Market Report, 2008)

Indian fitness industry is a hugely underpenetrated market compared to several developed and developing countries in the world. For instance, 16.0% of the US population have fitness club membership compared to a mere 0.4% for Indian markets (taken for Top 7 cities). This is despite the fact that India has the highest incidence of diabetes people in the world pegged at 50.8 million people.

A comparison of Indian market with other markets is presented below:

Membership penetration rates - India underpenetrated



* India survey for top 7 cities only

Source: IHRSA Report 2008, 2009

Presently, the fitness industry is in its nascent stages. The industry is very fragmented with majority of the market being dominated by a large number of mom-and-pop gyms. Every club offers similar basic gym facilities and there is complete lack of product differentiation. The market also appears to have a shortage of talent, since qualified personal trainers, nutrition consultants and professional managers are scarce, which also contributes to the lack of differentiation. This high degree of fragmentation, lack of product differentiation, and customer price sensitivity result in prevalent price competition and low margins.

Yet, on the other hand, awareness about fitness and a healthy lifestyle is growing; along with higher disposable incomes and a growing young population. India presents a huge opportunity for the health and fitness industry with over 65 towns having a population greater than 500,000 as per Census 2001 statistics.

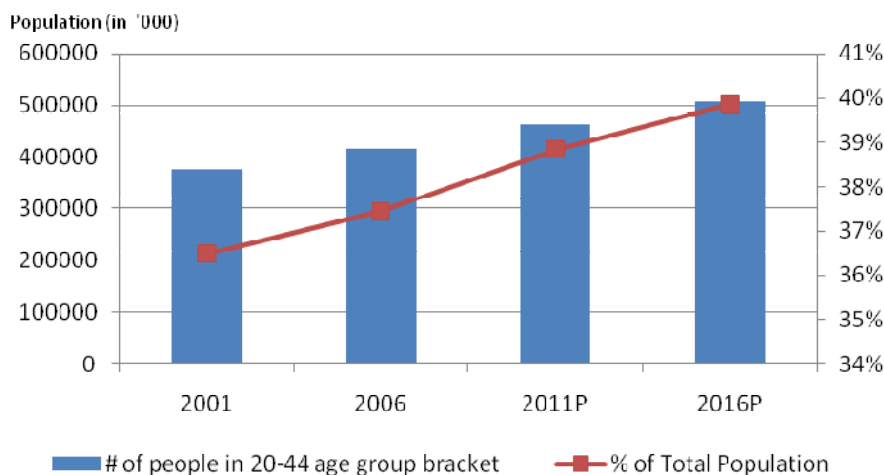
Clearly, there is a huge supply-demand gap in the health and fitness industry. There is a visible pent-up demand for quality health & fitness services at affordable price. This is where the organized sector has stepped in. To tap this vast potential, organized domestic players brands like Talwalkars and Fitness One along with international chains like Gold Gym and Fitness First have announced expansion plans into India, attempting to have a national footprint. Market share of top 5 players by number of clubs is 14.4%. This compares with over 40% market shares in Japan and Singapore and about 20% in Mainland China, Australia and New Zealand for the top 5 players. Thus, the organized players in India have huge scope of consolidation going forward.

Growth Drivers for Fitness Industry

Change in demographic profile

India has a population of around a billion which is growing at a rate of about 1.7%. A global industry report suggests that in general, more people between the ages of 18-54 exercise. However, in India age group 20-44 can be mainly identified as prime market for fitness clubs. The proportion of people in the age group of 20-44 is projected to go up from 37% in 2006 to 39% in 2011 and 40% in 2016. This is an addition of approximately another 4.6cr and 4.2cr in terms of population between 2006-11 and 2011-16 respectively.

To put things in perspective, even if assume a modest 1% of this eligible population enrol into fitness clubs, the potential addition to fitness market could be approximately 0.46 mn and 0.42mn respectively, which is very significant compared to the total current membership of about 0.23mn in the fitness industry



Source: National Commission on Population, May 2006

Increasing incidence of lifestyle diseases

Significant changes in lifestyle related to lack of physical activity and increased consumption of fast foods among both affluent and working class population has led to the greater need for healthy lifestyles through sports, fitness centres and counselling on dietary habits.

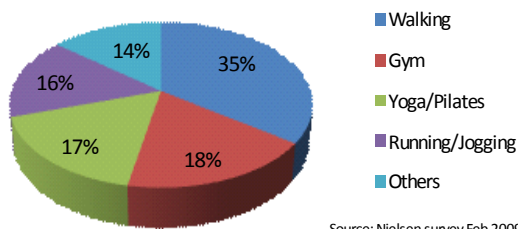
According to International Diabetic Federation (IDF)'s latest report released at the 20th annual World Diabetes Congress in Oct 2009, India leads the world in the number of people suffering from diabetes and by 2030, nearly 9 per cent of the country's population is likely to be affected from the disease. About 50.8 million people are now suffering from the looming epidemic of diabetes, followed by China with 43.2 million.

IDF estimates that Type 2 diabetes constitutes about 85% to 95% of all diabetes cases in developed countries and accounts for an even higher percentage in developing countries. There is a huge emphasis on regular exercise to prevent obesity and diabetes. IDF estimates that up to 80% of type 2 diabetes is preventable by adopting a healthy diet and increased physical activity.

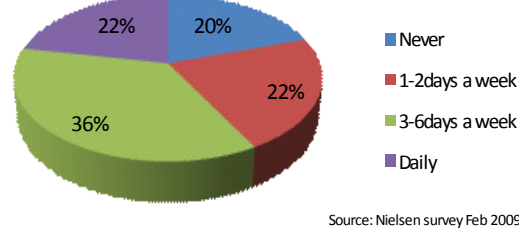
Growing realization of a need for healthy lifestyle

Awareness in the country on diseases like diabetes is increasing. According to AC Nielsen's Global Online Consumer Survey findings released in Feb 2009, 54 percent Indian respondents think they have issues with their weight. About 80% people said they exercise atleast once a week. Going to a gym is second most preferred option for exercise after walking.

Forms of exercise preferred by Indians



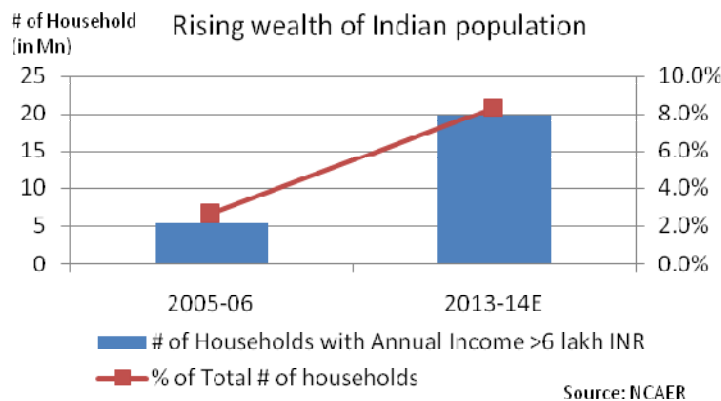
Frequency of exercise



The findings of the survey are very encouraging. Indians are adopting various actions to reduce their weight. 79 percent respondents plan to exercise more, the second highest percentage for a country globally after New Zealand (86), that is planning to exercise more to lose weight. 69 percent of Indians are changing their diet plans to lose weight.

Higher disposable income

The urbanization, industrialization and economic liberalization have led to a rapid rise in the middle and upper class in Indian population. The per capita income at current prices during 2008-09 is estimated to be Rs. 38,084 as compared to Rs. 33,283 during 2007-08, showing a rise of 14.4 per cent. As another indicator, an estimated 5mn people in India had annual income more than INR 6lakh p.a. in 2005-06. This is expected to go up to 20mn households by FY14e as per NCAER.



This rapid increase in wealth can also be visibly seen in the several posh residential complexes that have emerged in the top few Indian cities like Mumbai, NCR, Chennai, Kolkata, Hyderabad, Bangalore and Pune. This segment of population provides an upscale market for fitness centres to offer not just the basic gym facility but also advanced value added activities like spas, steam/sauna bath, nutrition centres, aerobics, spinning studios and personal training program.

Key success factors for the industry

Location, availability of quality gym equipment, range of add-on facilities, skills and experience of gym staff, membership pricing and club ambience are some of the key success factors in the industry. A fitness club taking care of all these factors can expand its membership base very rapidly.

Location: A dominant driver for gym selection is convenience of location. In fitness industry, a 15-minute driving distance in metro cities is considered as the maximum anyone would travel for a gym. Hence, to target a particular locality, setting up a gym in near proximity is essential.

Facilities: Gym equipment like cardio, strength and free weights from reputed suppliers are an integral part of quality service offering. Additionally, basic facilities like separate area for warm up and free style exercise, locker rooms for customers and juice bars are necessary to create a differentiated product offering. Advanced facilities like aerobics, spas, spinning equipment, sauna bath, massage and personal training programs etc can help attract more members as well as enhance revenues from existing members thus increasing profitability of the gyms.

Quality Gym staff: The most important success factor in a service industry is the quality of the service staff. It is essential that gym trainers are knowledgeable, experienced, has good communication skills and are soft-spoken. In absence of any accrediting body for gym trainers and instructors, a customer is quick to form his own perception of the service levels at a particular fitness club. The ability of the local club management to maintain the service quality levels has a major impact on a club's success.

Viral Marketing – In a locality with more than one gym, most people make a decision of which gym to join based on word of mouth recommendations by existing members who could be friends/families/acquaintances. Additionally, fitness industry has a very peculiar characteristic that enrolment often happens in groups of two or more, which could be either friends or relatives. Thus, service quality offered to existing members has a direct and major impact on future potential of garnering more memberships.

Price: Customers tend to look for best price and quality proposition. Typically, a young person in his early twenties would be ready to pay about 12,000 p.a. while customers in the 30s and 40s would be ready to try the advanced facilities in a gym which would cost an additional INR 2,000-10,000.

Challenges for the Health & Fitness Industry

Lack of Standardization

The industry does not have established standards for the infrastructure facilities, trainer's qualification, quality of services, type of equipment etc. There are no accreditation agencies in India for regulating the quality of service offerings being offered. Thus, the unorganized sector suffers from this customer perception of variable standards in service offering.

Lack of Accredited Training Institutes

Industry is facing a shortage of properly trained and skilled professionals. There is no ready pool of trained staff available. This is a critical problem area in a service industry which relies on knowledge, expertise and good soft-spoken skills of the gym staff.

High cost of Equipment

India does not have quality equipment manufacturers. The duty structure on the imported gym equipment inflates the cost, which leads to higher service cost for the members. Thus, majority of the industry comprising of the unorganized gyms are not able to provide such world-class equipment.

High real estate rentals/prices

Real estate rentals/prices are increasing significantly, which makes it difficult to find a suitable location for the health club. This prevents a new entrant from ramping up and gaining scale very rapidly.

Lack of Government focus

Unlike in most developed countries, the sector doesn't have an industry status in India. There are no tax deductions for fitness center memberships in India. However, in some developed nations, the fitness centre membership is tax-deductible. Other nations such as the US are lobbying for it. Indian government doesn't make a substantial allocation for investing in the preventive health of the people unlike in most developed countries where government sets community fitness centers, parks & recreational areas for physical activity.

Interesting Industry Trends

Emerging Health clubs formats: Some players are planning to set up 'only for women' fitness centers. The concept of health clubs at the doorstep is also emerging. These clubs are located either in the residence or in the residential complex of the member. Fitness centers have also started renting the equipments and providing them personal trainers. The organized players are also experimenting with opening gyms in high footfall locations like a high street or a shopping/entertainment mall.

Focus on Corporate Sector: Some chains are also targeting the fitness needs of big corporate. Smaller corporates with fewer employees generally opt for corporate membership at the local health club, whereas larger corporates opt for an on-campus fitness centre, managed either by the professional gym staff or by the corporate client.

Comparison with other markets:

The global health club industry has grown at an impressive rate. In 2008, it generated an estimated \$68.2 billion in total revenue, a YoY growth of 10.9% serving nearly 117,500,000 members. Global health club memberships have gone up

by 10% from last year. To cater to this increasing membership strength, the number of health club facilities worldwide has reached 122,000, a 12.9% jump from last year.

Poor health & fitness conditions of the general public at large, combined with a heightened national emphasis on daily exercise for good fitness have been key contributors to high health club penetration rates in several countries. To give an idea, anti-diabetic medications form a whopping US\$21bn pa market globally. Daily exercise and healthy diet can substantially bring down this healthcare spends.

In US for example, lifestyle diseases are the largest contributors to US healthcare spend according to a McKinsey & Co. report. Widespread campaigns emphasizing a healthy lifestyle have shown results. 16% of total population in US are enrolled in fitness clubs. On a per-visit basis, a health club membership is a better buy than a night at the movies, an evening at a concert, a trip to a baseball game, a few hours at a spa, or even a trip to the hair stylist. In recent years, two other factors have begun to change the industry's exclusive reliance on retail sales. The first of these factors is the involvement of corporations. Today, according to IHRSA approximately 31% of America's larger corporations subsidize the health club memberships of their employees. The percentage of companies that are providing such subsidies has increased significantly in the past several years. The second factor is the involvement of health insurers. An increasing number of HMOs, including Blue Cross, Pacificare, Aetna, Cigna, Oxford, Destiny, Harvard Pilgrim, Tufts, and Wellpoint, either reward their subscribers for their involvement in exercise programs or make payments to health clubs based on their subscribers' usage of these facilities.

Lifestyle related diseases are restricted not just to the developed markets. Even developing nations face a mounting risk of large number of people suffering from diseases like diabetes. For instance among the BRIC nations, China is staring at a massive accumulated income losses of USD 558bn for 2005-15.

Country	Estimated income loss - 2005 (USD bn)	Estimated income loss - 2015 (USD bn)	Accumulated loss 2005-15 (in 2005 value) (USD bn)
China	18.3	131.8	557.7
Russia	11.1	66.4	303.2
India	8.7	54	236.6
Brazil	2.7	9.3	49.2

Source: World Health Organisation, World Economic Forum

Although diabetes per se is not the highest contributor to healthcare spends around the world, it is important, since it can lead secondarily to several of the other lifestyle diseases, including coronary artery disease.

The concern of the Chinese population to these statistics already reflects in its membership penetration rates. 2.3% of its population are already enrolled as members in a fitness club.

Interestingly, India is following a similar trajectory in potential income losses due to unhealthy lifestyle. Yet, Indian penetration rates are lower than even the Asia-Pacific average. Total membership in India is only 0.23 million members compared to 2.6 million in China. As the realization mounts on Indian population of the various healthcare related costs, more people are expected to enrol into a fitness club and the penetration rates would thus inch up. The organized players in India are set to grab major share of the expanding market with their focus on product differentiation, qualified personal trainers and professional managers.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the chapter titled “*Risk Factors*”, beginning on page xii of this Red Herring Prospectus. In this section a reference to the “Company” means TBVFL. Unless the context otherwise requires, references to “we”, “us”, or “our” refers to TBVFL and its joint ventures taken as a whole.

Overview

We are one of the largest fitness chain in India (Source: as per the statistics of The IHRSA Asia Pacific Market Report, 2008) offering a diverse suite of services including gyms, spas, aerobics and health counseling under the brand “Talwalkars”. “Talwalkars” has pioneered the concept of gyms in India and today is a recognized name in the health and fitness industry.

The first gym was setup in the year 1932 by late Mr. Vishnu Talwalkar in Mumbai. Mr. Madhukar Talwalkar, eldest son of late Mr. Vishnu Talwalkar, carried on with the legacy and started his first gym in Bandra, Mumbai in the year 1962 by the name “Talwalkars Gymnasium”. Mr. Madhukar Talwalkar has been instrumental in creating the brand “Talwalkars” over the past several decades. Our Company, Talwalkars Better Value Fitness Limited, was co-promoted in the year 2003 by the Talwalkar Group and the Gawande Group with the object of developing “Talwalkars” brand as a leader in health clubs. Through the industry expertise of Mr. Madhukar Talwalkar and guidance of our co-promoters namely, Girish Talwalkar, Prashant Talwalkar, Vinayak Gawande, Anant Gawande and Harsha Bhatkal, we have enhanced our brand equity and pan-India presence. We have grown rapidly since our inception and, as on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities belonging to 12 states of the country serving over 55,000 members.

Our Competitive Strengths:

We believe that the following are our principal competitive strengths which have contributed to our current position in the industry:

- **Brand Equity**

Brand “Talwalkars” relates to the concept of gym in India. Late Mr. Vishnu Talwalkar, father of one of our promoters, Mr. Madhukar Talwalkar, had set up his first gym way back in 1932. Mr. Madhukar Talwalkar himself set up his first gym in Mumbai in 1962, over 45 years ago. We believe the long existence of our brand and the strength of our brand equity enables us to stay ahead of the competition. Today, we are one of the largest fitness chains in India. Our brand “Talwalkars” known for consistent standardized quality offerings has a good brand recall which helps in breaking the competitive clutter within the industry.

- **Standardized and Quality Offering**

In an unorganized and fragmented service industry with a large untapped demand, we provide quality service consistently across all our locations. One of the key investments in a health club is the fitness equipment. We maintain high quality standards by procuring our equipment from reputed international manufacturers, viz., Precor from the US, Rebar from China, etc. Several key issues such as flooring, air conditioners, generator back up, wet area designs, etc are benchmarked to a model health club and quality guidelines followed. We buy all these balance equipment from reputed companies like Daikin (for Air Conditioners), Powerica (for Generator Sets), etc. Besides, we have a residential training academy at Thane where we offer a 4-6 weeks induction training period for our trainers. This ensures that all the health club staff is trained to offer the same kind of services across all our locations. We believe that this “consistency” factor in providing quality service gives us a substantial edge in this competitive and unorganized market.

- **Market Leadership**

We are one of the largest fitness chains in India as per the statistics of the IHRSA Asia Pacific Report, 2008. We have grown rapidly since our inception and, as on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities across the country serving over 55,000 members. Our Company has its roots in the vision of our Promoter, Mr. Madhukar Talwalkar, who is associated with this industry over the last four decades. Being a pioneer in the health and fitness industry, we enjoy a significant lead over our competitors. We believe that the

above factors demonstrate our industry leading position which we can capitalize on to attract potential members and grow our revenues.

- **Pan India Presence**

In a fragmented health and fitness industry, where the demand for quality services is high while the supply is largely unorganized (primarily from singly city operators) and non-standardized, we benefit immensely due to our pan India presence. Our Company has been able to achieve a country wide foot print, which we believe may be very difficult to replicate. We are currently present in 28 cities belonging to 12 states of the country from where we operate our 58 health clubs. And we believe our continuous expansion plans will further enhance our brand visibility on pan India basis.

- **Promoters' Experience and Expertise**

We have an experienced promoter director team steering the company. The Talwalkar Group has several decades of experience in the health and fitness industry. Mr. Madhukar Talwalkar has over 45 years of experience in operating a gym. He was the founder President of Greater Bombay Body Builders Association and is the current President of Maharashtra State Body Builders Federation. Similarly, his son Mr. Girish Talwalkar and nephew, Mr. Prashant Talwalkar both have also been associated with this industry for the last several years. The Gawande Group has vast experience in several areas of business including finance, marketing and legal. Our Company draws on this healthy blend of expertise to manage the challenges of growth effectively.

- **Proven Track Record**

Over the last seven years of our existence we have grown the number of our health clubs to reach 58 as on the date of filing this Red Herring Prospectus. In fact, we have almost tripled our number of health clubs in the last three years. By achieving this level of growth we have proved our expertise to enhance our presence and continue to grow ourselves further from here broadening our member base and revenues.

Our Business Strategy:

We intend to pursue the following strategies in order to consolidate our position and grow further:

- **Geographic Spread and Penetration**

We have pan India presence through our 58 health clubs in 28 cities from 12 states of the country. We continuously explore attractive business opportunities in potential locations in pursuit of enhancing our geographic spread. We intend to increase our penetration in the country by setting up new health clubs in cities where we already have presence, as also entering into new areas in the country. We have expanded our reach to several Tier I and Tier II cities and will continue entering newer markets to tap the opportunity strategically fit for us.

- **Expand Service Offerings**

We offer a diverse suite of services including gyms, spas, aerobics and health counseling under the brand "Talwalkars". We constantly innovate our offerings viz., we have spa facilities in 10 of our health clubs, aerobics and spinning facility in 8 of our health clubs, etc. Additionally, we provide personal training program with dieticians working on weight management program, specialized fitness training programs and diet counseling. We believe in keeping pace with the current trends and overall customer satisfaction allowing us to attract more number of members and increase revenue potential from existing members.

- **Location Entry Strategy**

We follow one of the three strategies to enhance our presence i.e. either directly or through joint venture or through franchisee route. Our preferred strategy is to enter a new market on our own, however, we are also constantly in lookout for partnering with strong local players in cities we do not have a presence in. We currently own 44 out of our total of 58 health clubs as on the date of this Red Herring Prospectus. We believe in having a nimble attitude in our health club rollout strategy to ensure profitability of both owned as well as joint venture / franchised route.

- **Increasing Customer Satisfaction and our base of Members**

We believe that understanding the needs of our customers is of prime importance for the continuous growth of our business. In order to continuously provide customer satisfaction, our management team assimilates customer feedback and we endeavour to take necessary steps to address the requirements of our customers. In addition, we have introduced concepts like spa, aerobics, spinning, pilates, etc. We propose to continuously undertake such initiatives to increase the satisfaction of our customers.

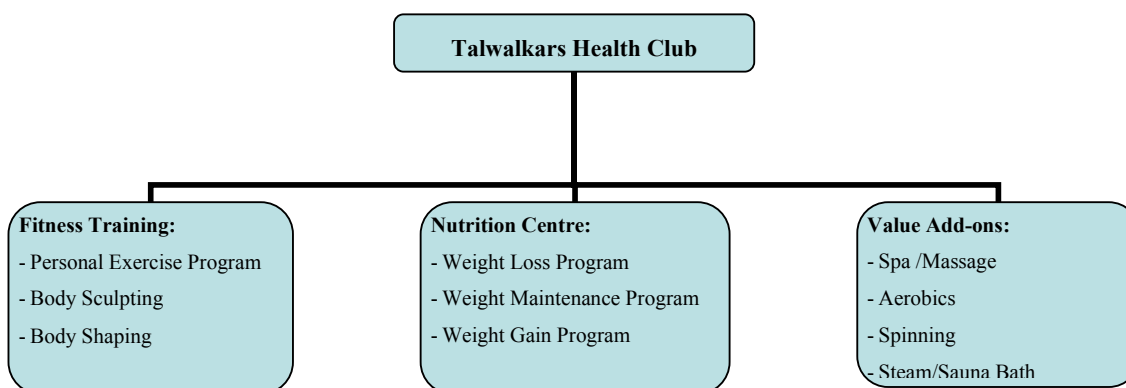
- **Brand Promotion and Enhancement**

We are constantly looking for opportunities to promote our brand on a nationwide platform. For instance, we were the Official Fitness Partners for Standard Chartered Mumbai Marathon in 2008 and 2009 and Femina Miss India Contest in 2009. In future, we continue to look out for similar regional or national events which can give us a stage to showcase our brand to people across the country.

Our Business:

We are one of the largest fitness chains in India offering a diverse suite of services including gyms, spas, aerobics and health counseling under the brand “Talwalkars”. “Talwalkars” has pioneered the concept of gyms in India and today is a recognized name in the health and fitness industry. As on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities of 12 states across the country serving over 55,000 members.

Product/Service Offerings:



We have a complete health club to help our customers achieve their fitness objectives.

1. Fitness Training:

Over the past years in the health and fitness industry, we have consistently gone through a lot of research and improvisation to design health programs that target specific requirements of members. We have specialized programs such as Personal Exercise Program, Body Sculpting and Body Shaping to make our members achieve the desired results. Our team of experts analyses and exactly formulates the required programs for the members accordingly following the health standards.

- **Personal Exercise Program (PEP)**

PEP is for those members who require individualized attention as well as workout on specialized equipment. We have a team of highly trained personal trainers who can cater to personal training regime of different individuals. A personal trainer is assigned to members who enroll for this program. The trainer motivates and encourages, without being forceful. The one-to-one attention creates a rapport between the member and the trainer, with the trainer being able to understand each member's limits and potential. The special attention paid by the personal trainer on this program gives motivation and encouragement, enhancing the result.

- **Body Sculpting / Body Shaping**

Body Sculpting is drawn from the strengths of body building and Body Shaping is drawn from the advantages of cardiovascular exercises. Both of these are body transformation packages used for toning up one's body muscles. Drawing heavily from techniques commonly used by body builders around the world, a carefully

planned mix of resistance training and cardio exercise is what makes this program highly effective. A specific food supplement especially marketed for this program helps in boosting muscle power, and improves the performance during weight training.

Besides the above, we offer fitness program for women, fitness program for aged over 45 years, fitness program for back problems, fitness program for cardiovascular problems, fitness program for diabetics, etc. based on individual requirements.

2. Nutrition Centre:

The Nutrition Center is an inherent part of the health club. Under Nutrition Centers we offer specialized programs like weight loss, weight maintenance and weight gain programs. It comprises 3-6 qualified dieticians working in shifts. Dieticians not only cater to overweight, obese, and underweight cases, but also prescribe diets to customers with various health conditions like diabetes, heart diseases, hypertension, hypercholesterolemia, gout, etc. Dieticians, by way of diet counseling, effective diet planning and weight monitoring, motivate customers and guide them towards achieving their weight management goals.

- Weight Loss / Maintenance Program

Talwalkars Nutrition Centre provides a simple, effective and scientific way to lose weight, which includes daily diet counseling, gym, steam/sauna, etc. We offer two different programs i.e. weight loss which is to lose the amount of weight desired and weight maintenance which is to maintain the lost weight. The weight loss program ranges from the 5 kg - 1 month plan to the 30 kg - 8 month plan. The programs offered are decided only after a careful study of the customer including height, weight and medical history.

- Weight Gain Program

It helps to gain weight, a healthy body and also to develop a good figure or physique. The program offers diet counseling, natural high protein power packed food supplement, massage and steam/sauna. The Nutrition Centre not only brings the customer in shape but also reforms your eating patterns and changes one's attitude towards diet.

3. Value Add-ons:

In addition to the above, we offer other value added services as follows:

- Spa / Massage

We entered a new line of activity by putting up a day spa. We offer therapeutic facilities and beauty correctional treatments at our spas. We also offer a variety of passive fitness regimes through Ayurveda, body touch, face touch and hair touch. Our fitness treatments are a suitable mix of gym, beauty and Ayurveda termed as "The Ayurveda Gym fitness regime", one of its kind.

Our skilled masseurs are also trained in giving head and face massage as well as Aroma Therapy sessions to make one feel revitalised and rejuvenated physically and mentally. Massage stimulates and peps up the entire nervous system, improves blood circulation and rejuvenates tired and aging skin. It also has an invigorating effect on the digestive system leading to better digestion and absorption.

- Aerobics

The dance exercise popularly called 'Aerobics' is just one of a number of moderate exercises, performed for extended periods of time, that increase one's heart and breathing rates. It confers many health benefits, apart from burning calories very effectively. We have introduced low impact aerobics, bench workout, circuit training, interval training and cross training.

- Spinning

Spinning classes are done in a fitness studio, with various light and music settings to create an energized atmosphere. Instructors guide participants through workout phases like warm-up, steady uptempo cadences, sprints, climbs and cool-downs. Spinning is a relatively recent phenomenon, where participants take part in a group workout on exercise bikes that typically lasts anywhere from 30-75 minutes. The classes are led by instructors who normally guide participants through a series of phases, from warm-up to more challenging phases, to a period of peak effort followed by a cool down.

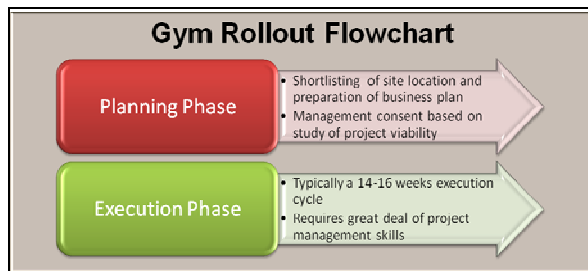
All these activities are done in an atmosphere best suited to our customers' needs and supported by equipment imported from USA and Europe.

Typical Talwalkar Health Club

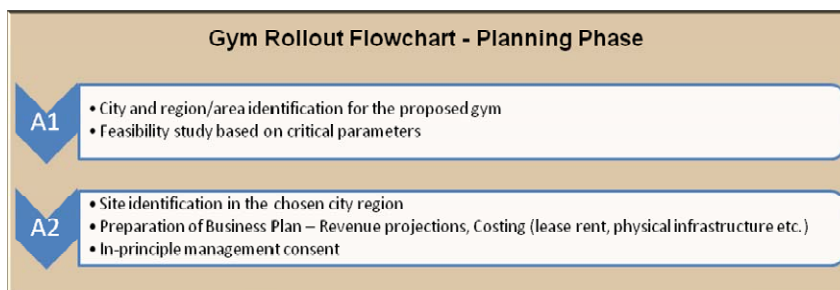
Our health club typically occupies an average area of over 5,000 square feet. Layout of our health club is divided into sections like the gym hall consisting of cardio facility, free weights, physical training, massage, steam/sauna, nutrition counseling, changing rooms with locker and juice bar. We keep our health clubs normally open for members from 6 am in the morning to 10 pm in the evening. The footfall of members is significantly higher during 6-8 am and 7-9 pm which is usually the peak period for the club.

Rollout Activity Flowchart

Setting up a health club is a two phase process. The planning phase involves finalizing of the site location. Once this is done, it typically takes ~14-16 weeks for setting up the health club.



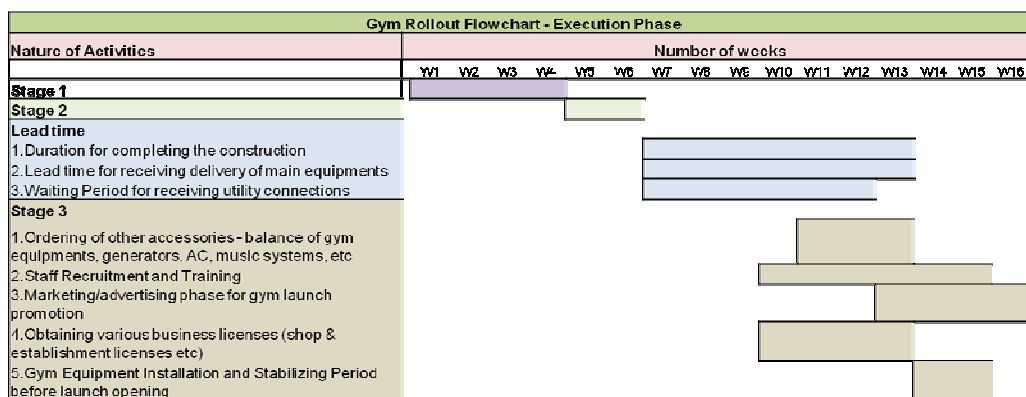
I. Planning Phase



Planning phase involves identifying the city and shortlisting of a locality within the city for the proposed health club. A few critical parameters like income distribution, population density and demographic profile of the local area are studied. After a detailed feasibility study, the site in the chosen area is identified. Estimates of various revenue and cost items like lease rents for the premise, market demand, etc are made. A business plan capturing revenue, cost projections, breakeven time, etc. is submitted to the management for discussion. If the project looks viable, management gives an in-principle approval and the execution phase begins.

II. Execution Phase

From the point the management gives an “in-principle approval” for the site, it usually takes ~14-16 weeks to set up a health club.



Stage 1:

Execution phase begins with a few critical actions initially. A detailed due diligence is done on the identified site. Clear title and permissions/conformance with various local laws for conducting business is verified. Terms and conditions of the lease agreement are negotiated. After the management gives a final consent, lease agreement is signed and deposit payment is made.

Stage 2:

Several processes occur simultaneously at this stage:

- An Architect is appointed who finalizes the designs for the club layout.
- Contractors for job work are appointed after evaluating quotations from few vendors.
- Sourcing of Equipment: Orders are placed for gym equipment like cardio, strength and free weights.
We source gym equipment from reputed international manufactures like Precor and Rebar ensuring quality of international standards.
- Process of receiving utility connections is initiated.

Stage 3:

Typical expected time for shipping of equipment and completion of construction is about 7-8 weeks. Towards the end of this period, other accessories like balance of gym equipment, generators, air conditioners etc are also ordered. Recruitment and Training and Promotional Activities are two most important activities in this stage.

- Recruitment and Training:

Recruitment and Training for a new health club is about six week process. All new recruits undergo intense six week training at our residential academy in Thane. A health club would typically have general trainers as well as operational staff like branch manager and accountants. The company recruits local people for its trainers and operational staff requirements and train them before employing them in the health club. Apart from this, a health club can have several experts including cardio trainer, personal trainer, dietician, fitness expert, masseur, aerobics instructor, spa therapist and yoga trainer. Our health clubs are usually open from 6am to 10pm. Trainers and fitness experts are employed in two shifts. Branch managers and other operational staff work on an 8 am to 6 pm shift. The total staff requirement for a health club can vary from 35-40 people.

- Promotional Activity:

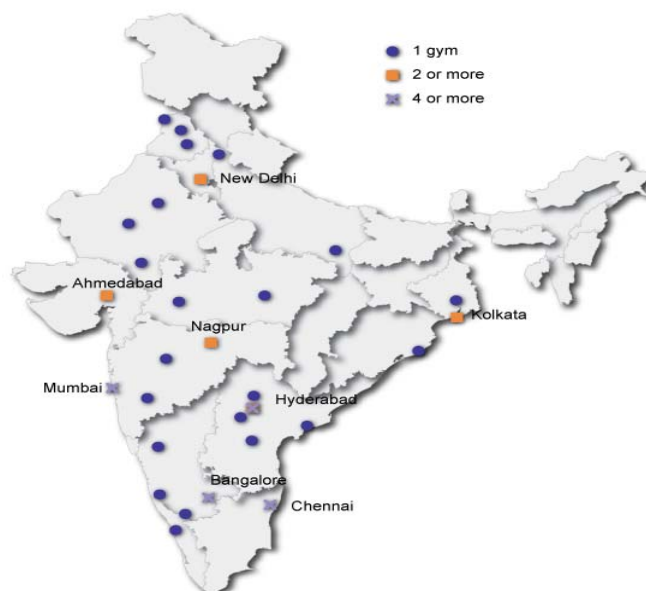
Launch related promotional activities begin in this period. Awareness about the health club launch in the neighbourhood is built through various media like newspaper inserts and poster/banners.

Once the above activities are completed, it is ensured that all the relevant business licenses according to the local by-laws are in place. Gym equipment are installed and tested for smooth operating conditions before the health club is open for rendering services.

Geographic Spread and Penetration:

We have grown rapidly since our inception and, as on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities from 12 states of the country serving over 55,000 members and having strong presence in the south

and west of India with 24 and 23 health clubs respectively. We have multiple health clubs in cities like Mumbai, Bangalore, Chennai, Ahmedabad, NCR, Hyderabad and Kolkata. We believe that there is considerable pent-up demand in the non-metropolitan cities and we continuously try to tap the lucrative business opportunities presented by several Tier I and Tier II cities.



Our proven success in all the locations where we have presence has further strengthened our belief that we should replicate our business model and take our fitness centers to other cities in India. We believe that the strength of our brand coupled with our quality facilities offered at the right price point would help us penetrate into markets newer to us and we are in a position to implement Hub & Spoke model to its complete advantage.

Apart from these 58 health clubs operated through our Company, our joint ventures or through our franchisees, there are 11 health clubs (those operating prior to our incorporation) across 3 cities – Mumbai (5 health clubs), Thane (2 health clubs) and Pune (4 health clubs), that are being operated through our Group Companies. Of these 11 health clubs, we have an option to buy 4 health clubs through a Memorandum of Understanding entered with Life Fitness India Private Limited, which owns and operates them.

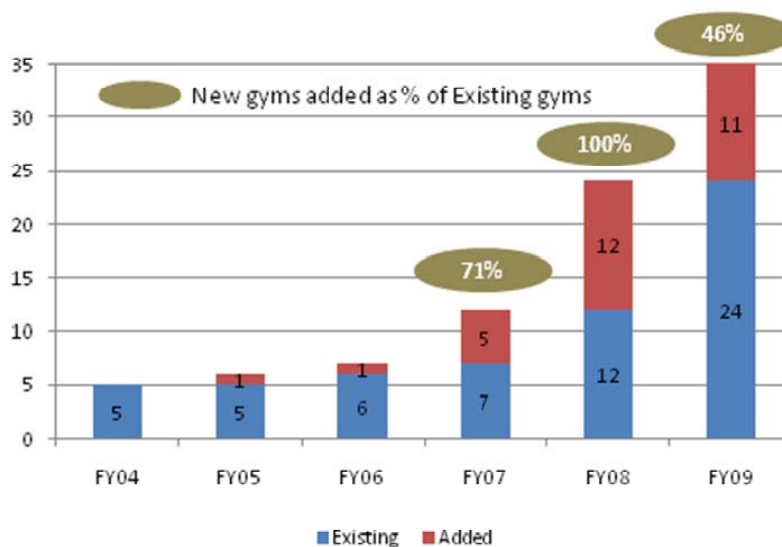
Among the 58 health clubs there are 3 health clubs which were operating prior to our incorporation and were similarly acquired by us from the Group Companies.

For further details refer to chapter titled “*History and Other Corporate Matters*” beginning on page 80 of this Red Herring Prospectus.

Proven Track Record

The execution cycle of a health club comprises of several activities in close coordination. Negotiation with architects, contractors, equipment suppliers, etc is conducted almost on a simultaneous basis. Recruitment, training, promotional activities, etc, similarly, follow in constricted timelines. Speed and execution capabilities are of utmost essence in executing several health clubs at the same time. Our management team has consistently proven its superior execution track record, which is evident from the number of health clubs that we have rolled out in the past couple of years.

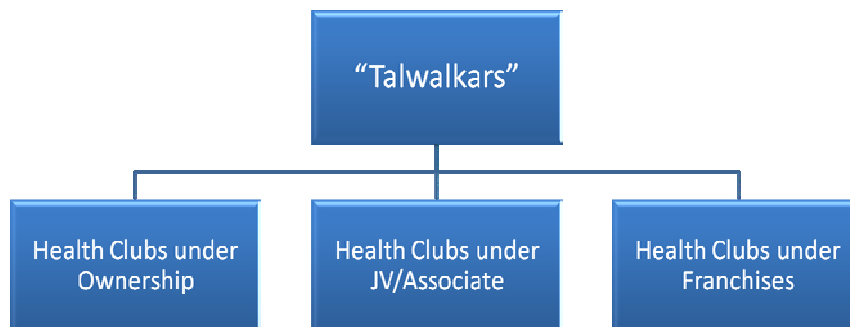
Out of the total 58 health clubs we operate today, we directly own 44 health clubs, operate 9 health clubs through our Joint Venture and Associate Companies and the rest 5 we operate through franchisee route. During the full year ended March 31, 2009 we added 15 health clubs, despite severe economic downturn. However, we have achieved over 70% growth in the number of owned health clubs that we directly operate during the last three financial years ending March 31, 2009. The following table exhibits our growth track record of the health clubs owned and operated by us:



For the fiscal 2010, out of the planned 20 health clubs, 9 are already operational, for the 7 health clubs, premises have been taken on lease, gym equipment have been ordered and are expected to be rolled out shortly and for the remaining 4 health clubs we have completed the planning phase and will commence execution. In addition, we have entered into a joint venture agreement with Life Fitness India Private Limited, to incorporate Aspire Fitness Private Limited for setting up 4 gyms by June 2010. By virtue of this agreement, we have a compulsory right to buy out these 4 gyms on March 31, 2013 from this joint venture and also an option to buy the existing 4 gyms being operated by Life Fitness India Private Limited. For further details refer to chapter titled “History and Other Corporate Matters” beginning on page 80 of this Red Herring Prospectus.

Distribution Strategy

As on the date of this Red Herring Prospectus we have 58 health clubs, of which we directly own 44 health clubs, 9 health clubs are operated through our Joint Venture and Associate Companies and the rest 5 we operate through Franchisee route.



Joint Venture and Associate Companies:

We have entered into a few arrangements with established local fitness operators in certain markets in order to accelerate the ramp-up in those locations. Through our operational expertise and strong local market knowledge and presence of our business partner we can create a successful combination.

- Talwalkars Pantaloon Fitness Private Limited

We entered into a joint venture agreement with Pantaloons Retail (India) Limited on October 05, 2006 to promote mall based gymnasiums in India. The strategy is to leverage the large number of daily footfalls in Pantaloon Malls as potential clientele. The health clubs under this format are bigger in size and have more number of equipment.

As on the date of this Red Herring Prospectus, we own 6 gymnasiums named “Fit & Active” through this joint venture viz., one each at Mumbai, NCR, Nagpur, Siliguri and two at Bangalore. We will increase the number of health clubs through this joint venture going ahead to tap the potential of health clubs under this format.

- **Denovo Enterprises Private Limited**

We entered into a joint venture agreement with Denovo Enterprises Private Limited for expanding into the Central Indian market. Through this joint venture, we own health clubs at Indore and Jaipur. We will continue to explore further opportunities in Central India through this joint venture.

- **Equinox Wellness Private Limited**

Denovo Enterprises Private Limited, one of our Joint Venture Company, entered into an agreement with Equinox Wellness Private Limited to own a health club in Alipore, Kolkata.

- **Aspire Fitness Private Limited**

We have entered into a joint venture agreement with Life Fitness India Private Limited, to incorporate Aspire Fitness Private Limited for setting up 4 gyms in Pune.

For further details on our Joint Ventures and Associate Company, please refer to chapter titled “*History and Other Corporate Matters*” beginning on page 80 of this Red Herring Prospectus.

Franchisees:

We believe in partnering with strong local players with good management record in entering newer areas. We have entered into franchisee agreements in the past to enter certain markets. We currently have five clubs under franchisee model, two each in Delhi and Nagpur and one in Mumbai.

Other Initiatives:

- **Talwalkars Training Academy**

We have established a 7,500 square feet training academy at Thane in the year 2009, in order to impart training to our fitness trainers both newly recruited as well as the existing staff. The course duration typically ranges from 30 days – 45 days. A significant part of the training is focused on the nuances of fitness, incorporating both practical and theoretical aspects covering weight training, cardio vascular fitness, special cases and nutrition. On the job training is provided to the recruits at various gyms after completion of the theory classes at academy. We have plans to transform the academy into a profit center by providing fitness certification courses to the outside trainees for a fee. We have 10 residential flats adjoining this academy to accommodate 40-60 recruits at a time during the course duration.

- **Corporate Segment**

We have started focusing on tapping the huge revenue potential from the corporate segment recently. Corporates are increasingly focusing on ensuring general wellness of their employees. This concern is addressed by way of having dedicated on-campus gym or indoor sports section. Smaller corporate premises which do not have these facilities on campus are looking at subscribing to corporate membership schemes in our various fitness centers. To tap this segment, we have set up a dedicated corporate sales team which deals with such clients on a pan-India level. We can leverage our pan-India network to cater to these corporate clients who could be sitting out of multiple locations in India. This new initiative has gathered pace and we have seen interest from prestigious clients like Intel Technology India Pvt. Ltd., Kotak Group, Standard Chartered Group, Fullerton Securities & Wealth Advisors Ltd., etc. Since we have been the official trainers for Mumbai Marathon for the last two years we have clients like Procam International, Grindwell Norton Ltd and Ernst & Young also in this segment.

Marketing and Advertising

Advertising and brand promotional activities are key aspects in a service industry like ours. Our core marketing team is led by Mr. Prashant Talwalkar and Mr. Harsha Bhatkal. Our company usually runs at least seven promotional schemes in a year which would typically include New Year scheme, Valentines Day's scheme, Women's Day scheme, Summer scheme, August scheme, Christmas scheme and Anniversary scheme. These schemes are rolled out after proper planning and approval of the management.

Inputs from the branch managers, roaming managers and clients are taken for designing this scheme. Other schemes are operated at branch level with the allocated advertisement budget after the approval from the management at central office. We also target potential customers through tele-marketing and point-of purchase publicity.

We have, from time to time, carried out mega promotional campaigns. We are associated with national events with focus on brand building, to name a few:

- “Official Trainer” for “*Standard Chartered Mumbai Marathon*” for the year 2008, 2009 and 2010.
- “Official Fitness Partner” for “*Femina Miss India Contest*” 2009

Human Resources

Our employees are key contributors to the success of our business. We have a residential training academy at Thane, where all our potential gym staff undergoes intense six week training in soft skills and service delivery. We view this process as a necessary tool to maximize the performance of our employees. We have policy of hiring fresh graduates. Our workforce consists of (i) permanent employees, (ii) contractual staff and (iii) fitness experts.

- Permanent Employees: We have core team of managers which is involved in identifying potential new locations and overall project management of the expansion projects. We conduct periodic reviews of our employee's job performance and determine salaries and discretionary bonuses based upon these reviews. In addition, we offer internal training programs tailored to different job requirements to enhance our employees' talents and skills.
- Contractual Staff: The staff at the gym is on the payrolls of various agencies with whom we have exclusive arrangement for sourcing the manpower. All the general trainers and operational managers are sourced from these agencies. Our Company offers an incentive by way of certain percentage of revenues on the achievement of targets by the branch staff. Reputed hospitality service providers are engaged to maintain good ambience and hygiene in our clubs.
- Fitness Experts: We also utilize the services of professionals for add-on services like spa, massage and personal training, etc. on revenue sharing basis. Our Company does not pay them a fixed salary, but shares with them a certain percentage of the fee charged to a customer.

Insurance Policies

Our Company has insured all the gyms, fixtures, fitting, furnitures, equipment, ACs, Computers Gym equipment, office equipment and the other accessories of the gym, residential premises used as guest house and training centre, against fire accidents, earthquakes, terrorism damage and such other loss and damage to property. Our Company has also insured its Directors, permanent employees, third party and its contract workers working at these gyms and residential premises against any loss and damages caused to them when on duty.

Intellectual Property

We have intellectual property rights that we seek to protect to the fullest extent practicable. We believe that we are not dependent on any of our intellectual property rights individually, although, they may collectively be of material significance to our business.

We have received registrations for the trade name and logo of our Company under various classes. We have also applied for registration of two trademarks, one of which is our corporate logo.

For details of registration of our trade name and logo, please refer chapter titled “*Government and Other Approvals*” beginning on page 211 of this Red Herring Prospectus.

Further, our Company has entered into a “Trademark License Agreement” with following entities listed below: -

1. Life Fitness India Private Limited (private limited company) dated November 13, 2009;
2. M/s. Talwalkars Health Republic (partnership firm) dated November 13, 2009;
3. M/s. Talwalkars Health Complex (partnership firm) dated November 13, 2009;
4. M/s. Talwalkars (partnership firm) dated November 13, 2009;
5. M/s. Talwalkars Health Club (proprietary undertaking) dated November 13, 2009;
6. M/s. Talwalkars Fitness Club (partnership firm) dated November 13, 2009;
7. M/s. Talwalkars Health and Leisure (partnership firm) dated November 13, 2009;

The key features of these agreements are as under: -

- (a) Subject to the terms and conditions of the Trademark License Agreement, Licensor has granted to Licensee, and Licensee has accepted from Licensor, for the term of the Trademark License Agreement, a non-transferable, royalty-free license to use the Licensed Marks as a logo and a tradename of the Lessee and in connection with the marketing, promotion and advertisement.
- (b) The Licensee shall cause the registration symbol "®" to be placed adjacent to the Licensed Marks in connection with the use thereof and to indicate such additional information as Licensor shall reasonably specify from time to time concerning the license rights under which Licensee uses the Licensed Marks.
- (c) The Licensee shall not use the Licensed Marks in any manner that would reflect adversely on the goodwill and the image of quality symbolized by the Licensed Marks.
- (d) Licensee has acknowledged Licensor's exclusive right, title and interest in and to the Licensed Marks and has acknowledged that nothing mentioned in the Trademark License Agreement shall be construed to accord to Licensee any rights the Licensed Marks except as expressly provided, in the Trademark License Agreement.
- (e) Licensee has acknowledged that its use of the Licensed Marks shall not create in Licensee any right, title or interest in the Licensed Marks and that all use of the Licensed Marks and the goodwill symbolized by and connected with such use of the Licensed Marks will inure solely to the benefit of the Licensor.
- (f) Licensee agrees not to use (a) any trademark or service mark which is confusingly similar to, or a colourable imitation of, the Licensed Marks or any part thereof, or (b) any work, symbol, character, or set of words, symbols, or characters, which in any language would be identified as the equivalent of the Licensed Marks or that are otherwise confusingly similar to, or a colourable imitation of, the Licensed Marks, whether during the term of the Trademark License Agreement or at any time following termination of Trademark License Agreement. Licensee shall not knowingly engage in any conduct which may place the Licensed Marks or Licensor in a negative light or context.
- (g) Trademark License Agreement shall not be construed to make Licensee the agent or legal representative of Licensor for any purpose whatsoever, and Licensee is not granted any right or authority to assume or create any obligations for, on behalf of, or in the name of Licensor (except as expressly provided in the Trademark License Agreement).

Our Properties

Our principal business headquarters are located at 801-813, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai 400 026. We use this as our Registered and Corporate office through an arrangement dated April 02, 2010 with one of our Group Companies i.e. Gawande Consultants Private Limited, where by we can continue using this premise for a period of 12 months from the date of this arrangement and such further period as mutually agreed between the parties.

Besides, we have an additional office in Mumbai, the details of which are given below:

Details of Deed / Agreement	Nature of right granted	Particulars of the Property, Description & Area	Tenure / Term
Leave and License Agreement dated April 24, 2008 between Mr. Dilip Satyanarayan Podar and Ms. Manju Dilip Podar ("Licensors") and our Company ("Licensee").	Leave and License (office)	Flat no.11, First Floor of building Podar House, Plot No.20(5), Seewn Wadala (South Estate) of Municipal Corporation of Greater Mumbai, Rafi Ahmed Kidwai Road, Wadala, Mumbai-400431	5 years

Health Clubs:

Freehold properties of our Company

1. Bandra, Mumbai

Date of Sale Deed / Agreement for Sale	Sale Deed dated July 19, 2003
Particulars of the Property, Description	Basement admeasuring 1726 sq ft carpet area and ground floor admeasuring 1687 sq ft carpet area and the open space area appurtenant thereto admeasuring 1671 sq ft area of the building known as Mangal Simran constructed on the piece and parcel of land being a portion of final plot no 112 of the Town Planning Scheme No III of Bandra and C.T.S No. F/893, F/894 and F/895 of village Bandra admeasuring about 650 sq yds equivalent to 543 sq mtrs or thereabouts situated lying and being at 28 th road, Bandra, Mumbai-400 050

2. Mulund, Mumbai

Date of Sale Deed / Agreement for Sale	Agreement for Sale dated February 24, 2005
Particulars of the Property, Description	Premises on the 9 th Floor of the building Smriddhi in Lodha Aqua, Mulund, Mumbai admeasuring 435 square meters.

Leasehold properties of our Company

Sr. No.	Details of Deed / Agreement	Nature of right granted	Particulars of the Property, Description & Area	Tenure / Term
1.	Lease Deed dated April 10, 2008 between Mr. Peddi Chalapathi Rao and Mr. Peddi Manibhushan ("Lessors") and our Company ("Lessee").	Lease	3 rd Floor, Manibhushan Complex, Main Road, Lakshmipuram, Second Land, Guntur, Andhra Pradesh.	9 years.
2.	Leave and License Agreement dated January 17, 2008 between Ms. J. Sridevi ("Licensor") and our Company ("Lessee"). <i>Note: The property has been sold to Mr. Deepak Kumar vide sale deed dated November 24, 2009 and the same has been notified to our Company vide letter dated January 12, 2010 by Ms. J. Sridevi and Mr. Deepak Kumar.</i>	Leave and License	3-6-70, Basheerbagh, Hyderabad-500029, Andhra Pradesh.	9 years and 3 months
3.	Leave and License Agreement dated March 12, 2010 between Mr. Madhukar Rao Borgaonkar ("Licensor") and our Company ("Lessee").	Leave and License	2 nd floor, 3-6-70/201, Madhu Nivas, Opposite Skyline Theatre, Basheerbagh, Hyderabad-500029, Andhra Pradesh.	6 years and 10 months
4.	Lease Deed dated June 11, 2004 between Mr. M. Anand Reddy and others ("Lessors") and our Company ("Lessee").	Lease	Property Bearing no. 8-2-596, Situated at road no.10, Banjara Hills, Hyderabad, Andhra Pradesh.	10 years

5.	Lease Deed dated August 28, 2006 between Hussain Ali Lakhani ("Lessor") and our Company ("Lessee").	Lease	Srila Heights, B Block, Situated at Plot No. 25/B/B, M.C.H. No. 10-3-150,151/B, Plot No. 25/B/E, M.C.H. No. 10-3-150, 151/E and Plot No. 25/B/D, M.C.H. No. 10-3-150,151/D, St. Johns Road, East, Marredpally, Secunderabad, Andhra Pradesh.	15 years
6.	Leave and License Agreement dated January 15, 2007 between the Roman Catholic Diocese of Hyderabad Deccan Society ("Licensor") and our Company ("Licensee").	Leave and License	Matha Towers, Bishops House, Vijayawada, Andhra Pradesh.	10 years
7.	Leave and License Agreement dated January 13, 2007 between Mr. Krishan Lal Verma and others ("Licensors") and our Company ("Licensee").	Leave and License	First Floor, Varun Towers, T.S. No. 1012 and 1013 Block No. 40 Sri Puram (JN), Vishakapatnam, Andhra Pradesh.	10 years
8.	Rental Agreement dated August 25, 2003 between Mr. P.A. Ramesh and Ms. P.R. Saraswati ("Lessors") and our Company ("Lessee").	Lease	35 Cross Road, 4 th 'T' Block, Corporation Division Ward No. 58, Jayanagar, Bangalore, Karnataka.	10 years
9.	Leave and License Agreement dated April 23, 2008 between Better Value Properties Private Limited ("Licensor") and our Company ("Licensee"). <i>(Note: The property leased herein has been conveyed to Better Value Properties Private Limited by our Company pursuant to a sale deed dated April 19, 2008 executed between the aforementioned parties.)</i>	Leave and License	Unit No. 201 on the third floor and 301 on the fourth floor and a unit on fifth floor, Batra Centre, Ulsoor Road, Bangalore-560 042, Karnataka.	5 years
10.	Lease Deed dated February 17, 2006 between Mr. Nikhil Purshottam ("Lessor") and our Company ("Lessee").	Lease	1 st Floor, Municipal No. 212, Bellary Road, Sadashivnagar, Bangalore-560080, Karnataka.	5 years
11.	Lease Deed dated July 07, 2007 between Ms. R.Lalitha and others ("Lessors") and our Company ("Lessee").	Lease	Ground and mezzanine floor including lobby, 683/A, 2 nd Phase, 100 feet Ring Road, J.P. Nagar, Bangalore - 560078, Karnataka.	5 years
12.	Lease Deed dated June 13, 2008 between UMM Trust ("Lessor") and our Company ("Lessee").	Lease	370, 11 th Main, 3 rd Block, Koramangala, Bangalore - 560034, Karnataka.	9 years

13.	Leave and License Agreement dated May 05, 2008 between Mr. A. Ravindranath and others ("Licensors") and our Company ("Licensee").	Leave and License	Shri Rajeshwari Tower, constructed on property bearing no. 354 and 353, Kamalanehrunagar Main Road, West of Chord Road, IV Stage, (8 th Main, IVth Block, Basaweshwaranagar), Ward No. 16, Bangalore, Karnataka.	9 years
14.	Leave and License dated March 12, 2007 between M/s Prime Investments ("Licensor") and our Company ("Licensee").	Leave and License	Ward No. III, CTS No.163/20B/2, Deshpandenagar, Hubli, Karnataka.	5 years
15.	Leave and License Agreement dated April 10, 2007 between Mr. Siraj Ahamed and Mr. Meraj Ahamed ("Licensor") and our Company ("Licensee").	Leave and License Basis	In-Land Avenue, Commercial Complex, M.G. Road, Mangalore 575003, Karnataka.	12 years and 3 months
16.	Leave and License Agreement dated May 15, 2008 between Ms. Latha Chainrai and Mr C. Sunil Kumar and Ms. Meghana Sunil ("Licensor") and our Company ("Licensee")	Leave and License	2 nd Floor, Livin- Corner No. 10 Temple Road, VV Mohalla Mysore-570012, Karnataka.	3 years
17.	Sub Lease Agreement dated July 10, 2007 between A&W Promoters & Developers (Private) Limited ("Lessor") and our Company ("Lessee").	Lease	Land bearing Serial No. 28/3B, located on Municipal No. 775, Khanapur Road, Angol, Tilakwadi, Belgaum-590006, Karnataka.	5 years
18.	Lease Deed dated August 08, 2007 between Mr. B.S.Ravichandran ("Lessor") and our Company ("Lessee").	Lease	Ground Floor, situated at old no.10, new no.12, Rajachar Street, T.Nagar, Chennai-600017, Tamil Nadu.	9 years
19.	Lease Deed dated November 16, 2007 between Mr. A.D. Amal Raj ("Lessor") and our Company ("Lessee").	Lease	Ground, First and Second Floor, including terrace situated at New No. 215, Old no. 95, T.T.K Road, Alwarpet, Chennai-600 004, Tamil Nadu.	15 years and 2 months
20.	Lease Deed dated December 19, 2005 between Ms. Rajeshwari Jenix ("Lessor") and our Company ("Lessee")	Lease	2 nd , 3 rd and 4 th Floor (terrace floor), Dev's Ark, Plot 155, Door No. 33, F-block, II Avenue, Anna Nagar (East), Chennai - 600 102, Tamil Nadu.	9 years
21.	Lease Deed dated March 23, 2009 between Mr. M.A. Rahim and others ("Lessors") and our Company ("Lessee").	Lease	2 nd Floor, Old Door No. 16, New Door No. 22/1, Second Floor, Sardar Patel Road, Kasturba Nagar, Adyar Chennai, Tamil Nadu.	9 years and 1 month
22.	Lease Deed dated May 23, 2008 between Mr. Arjundas Tanwanij ("Lessor") and our Company ("Lessee").	Lease	B-2, Crystal Lawn, No.20, Haddows Road, 1 st Street, Nungambakkam, Chennai- 600 006, Tamil Nadu.	3 years

23.	Leave and License Agreement dated January 01, 2007 between Dr Susanna Varghese and Dr George Varghese and Ms. Anna Varghese (“Licensor”) and our Company (“Licensee”).	Leave and License	2 nd Floor, side Puthuran Plaza, M.G Road Kochi – 682011, Kerala.	10 years
24.	Lease Deed dated May 22, 2008 between Mr. Vishwa Gajendrabhai Patel and others (“Lessors”) and our Company (“Lessee”).	Lease	2 nd Floor, Maurya Atria, Opp. Atithi Dinning Hall, Judges Bungalow Road, Bodakdev, Ahmedabad, Gujarat.	9 years
25.	Lease Deed dated January 30, 2009 between Mr. Pravinchandra N. Maniar and Mr. Nilesh P. Maniar (“Lessors”) and our Company (“Lessee”).	Lease	2 nd and partial 3 rd Floor, P. N. House, Near Jethabhai Park, Narayan Nagar Road, Shantivan, Paldi, Ahmedabad-380007, Gujarat.	9 years and 4 months
26.	Lease Deed dated August 21, 2008 between Ms. Bhartiben Baldevprasad Vyas; Ms. Rashmiben Bhavinkumar Vyas; Jitendrakumar Baldevprasad Vyas HUF and Rhythm Jitendrakumar Vyas (“Lessors”) and our Company (“Lessee”).	Lease	1 st Floor, Kshitij, St. Xaviers School Road, Opp. Swati Society, Navarangpura, Ahmedabad - 380014 Gujarat.	8 years and 15 days
27.	Leave and License Agreement dated December 06, 2007 between Mr. Balwant Singh Mehta (“Licensor”) and our Company (“Licensee”).	Leave and License	Second Floor Govardhan Plaza, N.N. Acharya Marg, Opp. Bhartiya Lok Kala Mandal, Udaipur-313 004, Rajasthan.	9 years
28.	Lease Agreement dated November 09, 2009 between Ms. Vandana Mohanani and Ms. Vimala Mohanani (“Lessor”) and our Company (“Lessee”).	Lease	1 st , 2 nd and 3 rd Floor, V Square, 630, 12 th B Road, Sardarpura, Jodhpur, Rajasthan.	9 years and 2 months
29.	Leave and License Agreement dated April 1, 2008 between M/s Bhoomee Land Developers and Builders through its authorised signatory Mr. Parvinder Singh Bhullar (‘Licensor’) and our Company (‘Licensee’)	License	Commercial space situated at Cee Tee Mall, 32-A Mall Road, The Mall, Amritsar- 143 001, Punjab.	9 years and 3 months
30.	License Deed dated August 16, 2007 between Mr. Harbir Singh (‘Licensor’) and our Company (‘Licensee’)	Licence Deed	2 nd & 3rd floor, S.C.O 9-10, Cananl Colony, Pakhowal Road, Ludhiana, Punjab.	15 years

31.	Leave and License Agreement dated November 14, 2007 between Pagariya Auto Private Limited ("Licensor") and our Company ("Lessee").	Leave and License	Second Floor, Pagariya Tower, Hotel Aurangabad Ashoka Compound, Adalat Road, Aurangabad, Maharashtra.	5 years
32.	Leave and License Agreement dated April 30, 2009 between Mr. Banpreet Surinder Singh Atal and Mr Karandeep Surinder Singh Atal ("Licensors") and our Company ("Licensee").	Leave and License	Plot no.196, TEGH House, Bhagat Singh Colony, near RPG Tower-Andheri Ghatkopar Link Road, Andheri (E) Mumbai- 400059, Maharashtra.	3 years
33.	Agreement dated September 7, 2006 between Prabodhan Goregaon ('Principal') and our Company ('Caretaker')	Sub- lease of area in respect of appointment of our Company as caretaker to set up facilities in club which are ancillary to the swimming pool activities	Ozone Club House situated on CTS No 360, 361 (Part) of village Pahadi, Siddharth Nagar, Goregaon West, Mumbai 400 104, Maharashtra.	5 years
34.	Leave and License Agreement dated October 16 2007 between Mr. Balubhai G. Kashiya ("Licensor") and our Company ("Licensee").	Leave and License	1 st Floor, Sushila Bhavan, opp Parvati Theatre, Navghar, Vasai (W), Dist- Thane, Maharashtra.	5 years
35.	Leave and License Agreement dated July 04, 2008 between Mr. Mansukh Tejabhai Timbadia and others ("Licensors") and our Company ("Licensee").	Leave and License	Ground Floor, First Floor, Second Floor plus terrace situated Plot No.109, Sector 27, Nerul, Navi Mumbai, Maharashtra.	4 years and 15 days
36.	Leave and License Agreement dated August 08, 2007 between Mr. Nandkumar M. Papaiya and others ("Licensors") and our Company ("Licensee").	Leave and License	Unit No.1, Unit No.2 and Unit No.3, Janaki Heritage, C-Wing, bearing old survey no. 574, new survey no. 276, Revenue Village, Bhayander, Taluka and District Thane, Near Flyover Bridge, Bhayander (West), Thane, Maharashtra.	5 years
37.	Leave and License Agreement dated December 18, 2008 between Mr. Prashant Talwalkar ("Licensor") and our Company ("Licensee").	Leave and License	CTS No. 593 and 596, Office no. F1 to F5, Ffirst floor, Shiv Trade Centre, Ram Mindir Chouk, Near Sangli Gymkhana, Sangli, Maharashtra.	5 years
38.	Memorandum dated February 23, 2007 between Srinath Daga ('Landlord') and our Company ('Tenant')	Tenancy	Ground floor, first floor and second floor, situated at premises no BE-72, Salt Lake City, Sector-I, Kolkatta- 700 064, West Bengal.	3 years

39.	Lease Deed dated November 09, 2009 between Mr. Deepak M. Popat, Ms. Neeta D. Popat, Mr. Pritesh M. Patel and Ms. Sneha P. Patel ("Lessors") and our Company ("Lessee").	Leave and License	101/102, 1 st Floor, Brindavan Vatika, Near KDMC 'B' Ward Office, Opposite Cine Max, Khadakpada, Kalyan (West) 421301, Maharashtra.	9 years
40.	Lease Deed dated November 23, 2009 between Ms. Dhaneshwari Devi ("Lessor") and our Company ("Lessee").	Lease	1 st Floor, D – 63/8, Krishna Complex, Mahmoorganj, Varanasi – 221010, Uttar Pradesh	9 years
41.	Lease Agreement dated December 01, 2009 between Ms. Vijaya Reddy ("Lessor") and our Company ("Lessee")	Lease	1 st Floor, Cold Shell, Premises Nos. 1-89/1/42 and 1-89/1/43, Plot Nos. 42 and 43, Survey Nos. 43/P, 44/P, 45, 46 and 48, Kavuri Hills, Guttala Begumpet Village, Serilingampally Mandal and Municipality, Ranga Reddy District, Andhra Pradesh.	9 years
42.	Lease Agreement dated December 01, 2009 between Mr. Garine Srinivas, Ms. Mamtha Chitur ("Lessors") and our Company ("Lessee")	Lease Agreement	1 st Floor, Phase No. I and II, KPHB Colony, H.No. 15-29-1000/h-18, Plot No. 36, Survey Nos. 1043, 1046, 1053, 1060 and 1065, Kukatpally, Balanagar Mandal, Ranga Reddy District, Andhra Pradesh.	9 years
43.	Memorandum of Business Development Agreement dated February 06, 2010 between Mr. Dilip D. Majithia, Mr. Harshad D. Majithia ("Lessors") and our Company ("Lessee")	Business Development Agreement	Killol Complex, Amin Marg Main Road, Harihar Society Corner, Rajkot, Gujarat.	9 years
44.	Lease Agreement dated December 08, 2009 between Mr. Gyan Chand Jain ("Lessor") and our Company ("Lessee")	Lease Agreement	2 nd Floor, Panchratan Towers, Building No. New 902 (Old - 1700), Plot No. 686, Diversion Street No. 155-D, Madan Mahal Health Camp, Ward No. 02, Subadra Kumari Chouhan Ward Jabalpur, Madhya Pradesh.	9 years
45.	Lease Agreement dated November 25, 2009 between Mr. Vinod Chawla as self and general attornies of Mr. Lakhpai Rai, Chawla and Mr. Ashwani Chawla and Mr. Bharat Bhushan Chawla ("Lessors") and our Company ("Lessee")	Lease Agreement	255, Lajpat Nagar, Jalandhar, Punjab	9 years
46.	Lease Agreement dated January 18, 2010 between Mr. Pareshwar Khandayatray ("Lessor") and our Company ("Lessee")	Lease Agreement	1 st Floor, Plot No. B-61 A & B-61 B, District Centre, Sahidnagar, Janpath, Bhubaneswar	9 years

47.	Lease Agreement dated March 06, 2010 between Mr. Rajendra Kumar Ramanlal Soni, Ms. Hemaben Rajendrakumar Soni and Ms. Puspaben Ramanlal Soni as partners of M/s. Soni Associates ("Lessors") and our Company ("Lessee")	Lease Agreement	2 nd Floor, Haridwar Enclave, Opposite Ravibhai Tower, Maninagar Cross Road, Maninagar, Ahmedabad – 380 008	9 years
48.	Lease Agreement dated February 11, 2010 between Dr. T. Balaji and Mrs. Gayatri Balaji ("Lessors") and our Company ("Lessee")	Lease Agreement	Door Nos. 737/2, 737/3, Sai Ashrya, IInd Floor, New Damu Nagar, Coimbatore, Tamil Nadu	9 years
49.	Lease Agreement dated March 13, 2010 between Ms. Kaja Kamal Anitha ("Lessor") and our Company ("Lessee")	Lease Agreement	Plot No. 608, SEV Mahal, West 4 th Street, K.K.Nagar, Madhurai – 625020, Tamil Nadu.	9 years
50.	Lease Agreement dated March 12, 2010 between Ms. Malti Madhav Khadikar, Mr. Shriram Madhav Khadikar and Ms. Anjali Shriram Khadikar ("Lessors") and our Company ("Lessee")	Lease Agreement	Ground, 1 st and 2 nd Floor, Plot No. 59B (Part), Star Colony, Manpada Road, Nandivali, Taluka Kalyan, Thane District, Maharashtra	15 years
51.	Lease Agreement dated February 08, 2010 between Mr. Jacob. K. Babu as a partner of M/s. Baby Builders ("Lessor") and our Company ("Lessee")	Lease Agreement	1 st Floor, Baby Arcade, P.T. Usha Road, Beach P.O, Kozhikode, Kasaba Village, Kerala	9 years

Further, *vide* a slump-sale agreement dated June 24, 2008 with M/s. Talwalkars Health Commune, our Company has taken over the business premises situated at 3rd floor Natraj Theater Building, Chembur, Mumbai – 400 071.

Properties other than gymnasiums:

a. Training Academy

Sr. No.	Details of Deed / Agreement	Nature of right granted	Particulars of the Property, Description & Area	Tenure / Term
1.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, ('Licensor') and our Company ('Licensee')	License	Ground floor of Aggarwal Centre, Aggarwal Estate, standing on the land bearing Gut No. 60/2 Chitalsar Manpada, S.V Road, Thane 400610, Maharashtra.	3 years
2.	Leave and License Agreement dated April 01, 2008 between Mr. Harish Aggarwal, ('Licensor') and our Company ('Licensee')	License	Ground floor, at C-7, Aggarwal Centre, Aggarwal Estate, standing on the land bearing Gut No. 60/2 Chitalsar Manpada, S.V Road, Thane 400610, Maharashtra.	3 years
3.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, Aggarwal Estates ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 102, 2nd Floor, Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years

4.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, Aggarwal Estates ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 202, 2nd Floor, Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
5.	Leave and License Agreement dated August 1, 2007 between Mr. Subodh Suryakar ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 203, 2nd Floor at Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
6.	Leave and License Agreement dated August 1, 2007 between Mr. Harish Aggarwal ('Licensor') and our Company ('Licensee')	License	1st and 2nd Floor of the building known as Aggarwal Centre at Aggarwal Estate, standing on the land bearing Gut No. 60/2, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
7.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, Aggarwal Estates ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 302, 3rd Floor, Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
8.	Leave and License Agreement dated August 1, 2007 between Mr. Harbhajanlal Andheri ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 304, 3rd floor Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
9.	Leave and License Agreement dated April 24, 2007 between Mrs. Sonalee Ashish Godbole ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 402, 4th Floor, Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
10.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, Aggarwal Estate ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 502, 5th Floor, 5th floor Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
11.	Leave and License Agreement dated August 1, 2007 between Mr. Harish Aggarwal, Aggarwal Estate ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 601, 6th floor Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
12.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, Aggarwal Estate ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 602, 6th floor, situated at Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years
13.	Leave and License Agreement dated April 24, 2007 between Mr. Harish Aggarwal, Aggarwal Estate ('Licensor') and our Company ('Licensee')	License	Building No. F-1, Flat No. 702, 7th Floor, Valley Tower Annex, Aggarwal Estate, Chitalsar Manpada, S.V Road, Thane 400 610, Maharashtra.	3 years

b. Guest House

Sr. No.	Details of Deed / Agreement	Nature of right granted	Particulars of the Property, Description & Area	Tenure / Term
1.	Lease Agreement dated June 1, 2009 between Ms. Rumeet Purshottam ('Lessor') and our Company ('Lessee')	Lease	Fully furnished residential flat, no. B-01, Ground Floor, consisting of three bedrooms, hall, kitchen with, with a private garden and two car park slots in Summit Apartments situated at No. 27/4 (PID# 78-121-27/4) Sankey Road, High Grounds, Bangalore-560 001, Karnataka.	11 months
2.	Lease Agreement dated January 16, 2009 between (1) Kumudben Ashokkumar	Lease	Flat No. 102 on the 10th Floor, in Sandesh Co-op Housing Society Limited (Scheme	3 years

	Desai, (2) Nilesh Ashokbhai Desai, (3) Namratiben Nileshbhai Desai through their Power of Attorney Holder Achal Kirtibhai Desai ('Lessor') and our Company ('Lessee')		known as 'Devdeep Tower') Nr. HP Petrol Pump, Bodakdev, Ahmedabad, standing/constructed on the land of final plot no. 24, 27 and 28 part of T.P Scheme No. 1/B situated at Moje Bodakdev, Taluka Daskroi in registration Sub district Ahmedabad-3 (Memnagar), Gujarat.	
3.	Leave and License Agreement dated February 28, 2009 between Ms. Anu Rai Auplish ('Licensor') and our Company ('Licensee')	License	First Floor of bungalow bearing No. 65-R situated at First Floor, 65-R, Model Town, Ludhiana- 141 002, Punjab.	11 months
4.	Leave and License Agreement dated October 8, 2009 between Jagjit Singh H Suri (HUF) through its karta Dr. Jagjit Singh Suri ("Licensor") and our Company ('Licensee')	License	Flat No 180/B, 2nd Floor, Shahid Bhagat Singh Co-op Housing Society, J.B Nagar, Andheri (E), Mumbai- 400 059, Maharashtra.	2 years
5.	Agreement dated April 06, 2010 between Mr. Narayanswami Jayaraman ("Licensor") and our Company ("Licensee")	Lease	IC, 2 nd Floor, "Garthapuri Apartments", 13 th Avenue, Harrington Road, Chetput, Chennai, 600 31, Tamil Nadu	11 months

Technology

We believe that business pre-eminence can be achieved only through efficiency that gives you a competitive edge and a state of art information flow system. We are currently maintaining our sales and customer relationship management through a tailor made information system. System back up are maintained in major cities and at head office. All daily transactions at either end are updated through pooling of incremental data of new transactions. This helps us to maintain a complete control from Head Office over all the clubs on a daily basis.

In order to take data flow and automation to a further level, we have further developed web based software, which will give real time data and ensure seamless integration of the current resources. This system is extremely strong in financial postings and analysis.

Competition

We operate in the business of Health and Fitness industry. There are no listed companies in India operating in this industry. There are a few organized gym chains, both domestic and international, providing same or similar services. Additionally, Health and Fitness industry in India is largely fragmented with several unorganized players.

KEY INDUSTRY REGULATIONS AND POLICIES

There are no specific laws in India governing the wellness industry in India. Some of the key regulations applicable to us are summarised hereunder.

Shops and Establishments Acts

Our Company is governed by various Shops and Establishment Acts as applicable in the states where we have stores. These Acts regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. The following among other are the acts and rules and regulations thereunder are applicable to our stores.

- The Andhra Pradesh Shops and Establishments Act, 1988;
- The Andhra Pradesh Factories and Establishments (National, Festival and other Holidays) Act, 1974;
- The Bombay Shops and Establishments Act, 1948;
- The Karnataka Shops and Commercial Establishments Act, 1961;
- The Madhya Pradesh Shops and Establishments Act, 1958;
- The Punjab Shops and Commercial Establishment Act, 1958;
- The Uttar Pradesh Shops and Commercial Establishments Act, 1962;
- The West Bengal Shops and Commercial Establishment Act, 1963;
- The Rajasthan Shops and Commercial Establishment Act, 1958;
- The Tamil Nadu Shops and Establishment Act 1947;
- The Mumbai Municipal Corporation Act 1888;
- The Karnataka Municipal Corporation Act 1976;
- The Haryana Municipal Corporation Act 1955;
- The New Delhi Municipal Council Act 1994;
- The Chennai City Corporation Licensing of Hoardings and Levy and Collection of Advertisement Tax Rules 2003;
- The Tamil Nadu Fire Services Act 1985;
- The Tamil Nadu Industrial Establishments (National and Festival Holidays) Act 1958; and

For details of our Company's material registration under the applicable Shops and Establishment legislations, please refer to the chapter titled "*Government and Other Approvals*" beginning on page 211 of this Red Herring Prospectus.

Intellectual Property

Our Company's trademarks are required to be registered under the provisions of the Trademarks Act, 1999. Our Company is also required to comply with local/municipal regulations in respect of each of its stores as given below. For details of Our Company's registration, if applicable, under these statutes please refer to the chapter titled "*Government and Other Approvals*" beginning on page 211 of this Red Herring Prospectus.

Further, in respect of our intellectual property i.e. trademarks, we can obtain better statutory protection by registering them under applicable classes of the Trademarks Act, 1999.

Our Company is also required to obtain public performance licences under the Copyrights Act, 1957.

Fiscal Regulations

In accordance with the Income Tax Act, 1961 any income earned by way of profits by a company incorporated in India is subject to tax levied on it in accordance with the tax rate as declared as part of the annual Finance Act. Our Company, like other companies, avails of certain benefits available under the Income Tax Act, 1961. For details of the tax benefits, please refer to the chapter titled "*Statement of Tax Benefits*" beginning on page 46 of this Red Herring Prospectus.

Contract Labour (Regulation and Abolition) Act

Our Company engages for each of its gymnasiums the services of various contractors for various activities like house keepings, training etc. These contractors in turn employ contract labour whose number exceeds twenty in respect of some of the stores. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 which requires our Company to be registered as a principal employer and prescribes certain

obligations with respect to welfare and health of contract labour. For details of our Company's registration under the Contract Labour (Regulation and Abolition) Act, please refer to the chapter titled "*Government and Other Approvals*" beginning on page 211 of this Red Herring Prospectus.

In addition to the above, Our Company is required to comply with various other applicable legislations including the provisions of the Companies Act, 1956, various tax related legislations and other applicable statutes.

HISTORY AND OTHER CORPORATE MATTERS

Corporate Profile:

Our Company was originally incorporated as “Talwalkars Better Value Fitness Private Limited”, a private limited company under the provisions of the Companies Act, 1956, vide certificate of incorporation dated April 24, 2003 with CIN U92411MH2003PTC140134, issued by the Registrar of Companies (“RoC”) at Mumbai, Maharashtra. Pursuant to a Board resolution dated September 10, 2009 and a special resolution of the shareholders of our Company at the EGM held on October 1, 2009, our Company became a public limited company and the name of our Company was changed to “Talwalkars Better Value Fitness Limited”. The fresh certificate of incorporation to reflect the new name was issued by the RoC on November 7, 2009 with CIN U92411MH2003PLC140134.

We can trace the history of our brand “Talwalkars” when the first gym was setup in the year 1932 by late Mr. Vishnu Talwalkar in Mumbai. Mr. Madhukar Talwalkar, eldest son of late Mr. Vishnu Talwalkar, carried on with the legacy and started his first gym in Bandra, Mumbai in the year 1962 by the name “Talwalkars Gymnasium”. Mr. Madhukar Talwalkar has been instrumental in creating the brand “Talwalkars” over the past several decades. Our Company, Talwalkars Better Value Fitness Limited, was co-promoted in the year 2003 by the Talwalkar Group and the Gawande Group with the object of developing “Talwalkars” brand as a leader in health clubs. Through the industry expertise of Mr. Madhukar Vishnu Talwalkar and guidance of our co-promoters namely, Girish Madhukar Talwalkar, Prashant Sudhakar Talwalkar, Vinayak Ratnakar Gawande, Anant Ratnakar Gawande and Harsha Ramdas Bhatkal, we have enhanced our brand equity and pan-India presence. We have grown rapidly since our inception and, as on the date of this Red Herring Prospectus, we operate 58 health clubs in 28 cities belonging to 12 states of the country serving over 55,000 members.

Today, we are one of the largest fitness chain in India (Source: as per the statistics of The IHRSA Asia Pacific Market Report, 2008) offering a diverse suite of services including gyms, spas, aerobics and health counseling under the brand “Talwalkars”. “Talwalkars” has pioneered the concept of gyms in India and today is a recognized name in the health and fitness industry.

Changes in the Registered Office

Pursuant to our Board resolution dated March 25, 2006, the registered office of our Company was changed from 7/10, Botawala Building, Horniman Circle, Fort, Mumbai - 400 001 to 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Marg, Mumbai – 400 026. These changes were carried out to enable greater operational efficiencies.

Acquisitions

Acquisition of Business as a going concern of partnership firm M/s Talwalkars Health Unlimited.

Effective June 30, 2003 (from close of business hours) our Company acquired and took over the entire business as a going concern and as a successor in interest of M/s Talwalkars Health Unlimited, a partnership firm in which our Promoters Mr. Madhukar Talwalkar, Mr. Girish Talwalkar and Mr Prashant Talwalkar were partners. The business was acquired under MoU dated June 30, 2003 and Agreement dated September 25, 2003 respectively on a going concern basis with all the assets and liabilities, for a consideration of Rs. 55,00,000/-. Pursuant to the said agreement, our Company took over the undertaking of the erstwhile firm including all assets and liabilities which were transferred and vested in our Company with effect from close of business hours on June 30th, 2003). The acquisition also included the takeover of the unfinished gym project at Bandra from the partnership firm. The aforesaid consideration was paid by us by issue of 55,000 fully paid up equity shares at a price of Rs. 100 per share, to Mr. Madhukar Vishnu Talwalkar, Mr. Girish Madhukar Talwalkar and Mr Prashant Sudhakar Talwalkar.

Acquisitions by way of slump sale

Our Company has acquired the business of two (2) gyms on a slump sale basis. The details of the slump sale agreements are as follows:

1. Our Company has entered into an agreement dated September 05, 2003 with Talwalkars Omnifitness Private Limited (‘TOFPL’) whereby TOFPL has agreed to irrevocably assign and transfer and our Company has agreed to take over the entire business of TOFPL as a going concern together with the business premises (situated at Batra Centre, Ulsoor Road, Bangalore 560 042), goodwill and the exclusive right to use the name of ‘Talwalkars Fitness Planet’.

2. Our Company has entered into an agreement dated June 24, 2008 with Talwalkars Health Commune (the “THC”) whereby THC has agreed to assign and transfer and our Company has agreed to take over the on going concern together with the business premises (situated at 3rd floor Natraj Theater Building, Chembur, Mumbai – 400 071), goodwill, other benefits, trade connections, privileges, leases, leave and licences, licenses and exclusive right to use the name of “Talwalkar Health Commune”.
3. Our Company has entered into an agreement dated July 15, 2008 with M/s. Club Business Systems (the “CBS”) whereby CBS has agreed to irrevocably assign and transfer and our Company has agreed to take over the entire business of CBS as a going concern together with the business premises (situated at GA, Crystal Launger, Wallace Garden, 20, Haddows Road, 1st Street, Nungabakkam, Chennai 600 006), goodwill and the exclusive right to use the name of ‘Club Business Systems’.

Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

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

Changes in Memorandum of Association since Incorporation:

Date of shareholder's approval	Changes in the Memorandum of Association
June 16, 2003	Alteration in Capital Clause: The authorised capital of our Company was increased from 1000 Equity Shares of Rs. 100/- each aggregating to Rs. 0.10 million to 200,000 Equity Shares of Rs. 100/- each aggregating to Rs. 20.00 million by creation of 199,000 Equity Shares of Rs. 100/- each.
December 22, 2005	Alteration in Capital Clause: The authorised capital of our Company was increased from 200,000 Equity Shares of Rs. 100/- each aggregating to Rs. 20.00 million to Rs. 36.00 million by creation of 160,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each
September 30, 2008	Alteration in Capital Clause: The authorised capital of our Company was re-organised from Rs. 36.00 million divided into 200,000 Equity Shares of Rs. 100/- each and 160,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each to Rs. 36.00 million divided 360,000 Equity Shares of Rs. 100/- each.
September 30, 2008	Alteration in Capital Clause: The authorised capital of our Company was sub-divided from 360,000 Equity Shares of Rs. 100/- each into 3,600,000 Equity Shares of Rs. 10/- each.
August 24, 2009	Alteration in Capital Clause: The authorised capital of our Company was increased from 3,600,000 Equity Shares of Rs. 10/- each aggregating to Rs. 36.00 million to 15,000,000 Equity Shares of Rs. 10/- each aggregating to Rs. 150.00 by creation of 11,400,000 Equity Shares of Rs. 10/- each. Alteration in Object Clause: The main objects clause of the Company was altered / added to bring them in consonance with the current business activities. The ancillary clauses of the object clause were modified accordingly wherever necessary; and
November 9, 2009	Alteration in Capital Clause: Increased from 1,50,00,000 Equity Shares of Rs.10/- each aggregating to Rs. 150.00 million to 2,50,00,000 Equity Shares of Rs.10/- each aggregating to Rs.250.00 million by creation of 1,00,00,000 Equity Shares of Rs.10/- each.
November 14, 2009	Alteration in Capital Clause: Increased from 2,50,00,000 Equity Shares of Rs.10/- each aggregating to Rs.250.00 million to

Date of shareholder's approval	Changes in the Memorandum of Association
	3,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs.300.00 million by creation of 50,00,000 Equity Shares of Rs.10/- each.

Major Events:

Year	Key events, milestones and achievements
2003 – 2004	Shareholder's Agreement dated July 01, 2003, between Talwalkar Group and Gawande Group
2003 – 2004	Acquisition of the business as a going concern of partnership firm M/s Talwalkars Health Unlimited
2003 – 2004	Agreement dated September 05, 2003 for purchase of business of Talwalkar Omnifitness Private Limited situated at Ulsoor, Bangalore.
2005 - 2006	Franchisee Agreement dated June 15, 2005 executed between our Company and Pinnacle Fitness Private Limited for 2 gymnasiums located at NCR.
2005 - 2006	Franchisee Agreement dated August 05, 2005 executed between our Company and Kandarkar and Shinde Associates for gymnasium located at Navi Mumbai.
2005- 2006	Franchisee Agreement dated August 24, 2005 executed between our Company and Equinox Wellness Private Limited for gymnasium located at Kolkatta.
2005- 2006	Share and CPS (Convertible Preference Shares) Subscription Agreement dated January 09, 2006 executed between our Company and Mr. Shivanand Shankar Mankekar, Mr. Kedar Shivanand Mankekar and Ms. Laxmi Shivanand Mankekar and our Promoters.
2006 – 2007	Joint Venture Agreement dated August 06, 2006 executed with Palestra Enterprises Private Limited for running a joint venture in the name of "Denovo Enterprises Private Limited".
2006 – 2007	Franchisee Agreement dated August 10, 2006 executed between our Company and Denovo Enterprises Private Limited for gymnasiums located at Jaipur and Indore.
2006 – 2007	Joint Venture Agreement dated October 05, 2006 executed with Pantaloon Retail (India) Limited for running a joint venture in the name of "Talwalkars Pantaloon Fitness Private Limited".
2007 – 2008	Agreement dated October 03, 2007 executed by our Company with Procam International Limited whereby our Company shall be the trainer of Standard Chartered Mumbai Marathon for the calendar years 2008, 2009 and 2010.
2008 – 2009	Our Company commences a dormitory and training academy at Thane
2008 - 2009	Agreement dated June 24, 2008 for purchase of business of M/s. Talwalkars Health Commune situated at Chembur, Mumbai.
2008 – 2009	Agreement dated July 15, 2008 for purchase of business of M/s. Club Business Systems situated at Nungumbakkam, Chennai.
2008 – 2009	Franchisee Agreement dated September 17, 2008 executed between our Company and M/s. Jyotsna Shinde & Associates for gymnasium located at Byramji Town, Nagpur.
2008 – 2009	Letter of Intent issued by Bennett, Coleman & Co. Limited appointing our Company as the Official Fitness Trainer for Femina Miss India.
2009 - 2010	MoU dated November 05, 2009 and the Addendum to the MoU dated December 24, 2009 signed between our Company and Life Fitness India Private Limited for setting up additional gyms.

Members

As of on the date of this Red Herring Prospectus, we have 56 members in our Company.

Injunctions or restraining orders

Our Company is not operating under any injunction or restraining order.

Shareholders Agreements

Except as mentioned below, as on date of this Red Herring Prospectus, there are no subsisting shareholders agreements among our shareholders in relation to our Company:

1. *Shareholder's Agreement dated July 1, 2003 (the "Agreement"), between Mr. Madhukar Vishnu Talwalkar, Ms. Usha Madhukar Talwalkar, Madhukar Vishnu Talwalkar (HUF), Mr. Girish Madhukar Talwalkar, Ms. Nanda Girish Talwalkar, Girish Madhukar Talwalkar (HUF), Mr. Prashant Sudhakar Talwalkar, Ms. Nalina Prashant Talwalkar, Prashant Sudhakar Talwalkar (HUF) (the "Talwalkars") and Mr. Vinayak Ratnakar Gawande, Ms. Madhuri Vinayak Gawande, Vinayak Ratnakar Gawande (HUF), Mr. Anant Ratnakar Gawande, Ms. Yamini*

Anant Gawande, Anant Ratnakar Gawande (HUF), Mr. Harsha Ramdas Bhatkal, Ms. Smeeta Harsha Bhatkal, Better Value Leasing and Finance Limited, Gawande Consultants Private Limited (the “Gawandes”) (collectively known as “Parties”).

Pursuant to the agreement, the Parties have agreed, *inter alia*, to the following covenants:

- (a) To promote and carry on the business of our Company.
- (b) Talwalkars and Gawandes shall hold 60% and 40%, respectively, in the Equity Shares of our Company. Further, the proportion of the Equity Shares held by Talwalkars and Gawandes shall remain constant notwithstanding any further issue of Equity Shares or convertible debentures by our Company.
- (c) The Parties shall not create a lien on their equity shareholdings in our Company without the express written consent of all Parties.
- (d) Talwalkars and Gawandes shall nominate three (3) directors each to the Board. Further, Mr. Madhukar Vishnu Talwalkar shall be the chairman of the Board succeeded by Mr. Girish Madhukar Talwalkar and then by Mr. Prashant Sudhakar Talwalkar.
- (e) The Chairman shall not have the casting vote and all other members shall be Non-Executive Directors.
- (f) Our Company shall pursue the registration of trademark in respect of the brand names “Talwalkars” and /or “Talwalkars Better Value Fitness Private Limited” and copyright in respect of the design of our logo. Further, the brand names shall be owned by the Company and no change in the shareholding of our Company will affect the ownership of the brand names.
- (g) Talwalkars can continue using the brand name for their existing gyms. However, the Company and the existing gyms of Talwalkars will share the advertising and marketing expenses.
- (h) Barring the gyms owned by Talwalkars and in existence as on the date of the agreement, the parties shall not directly or indirectly have interest in or be connected with any entity engaged in the business of our Company or provide, including but not limited to, marketing, advisory services, etc related to business of our Company during the term of the agreement and three (3) years after the termination of the Agreement. Further, if any Parties transfer their shares, the above provision shall apply to the transferor for three (3) years from the date of approval of such transfer by our Board.
- (i) If either of the Parties transfers their shares, the continuing parties shall have the right of first refusal.
- (j) Our Company shall not carry on the business of gymnasium in Pune and Thane

2. Share and CPS (Convertible Preference Shares) Subscription Agreement dated January 09, 2006 (the “Agreement”) executed between our Company and Mr. Shivanand Shankar Mankekar, Mr. Kedar Shivanad Mankekar and Ms. Laxmi Shivanand Mankekar (the “Investors”) and our Promoters.

Pursuant to the Agreement, our Company has agreed to subscribe 156,000 Optionally Convertible Cumulative Preference Shares of Rs. 100/- each aggregating to Rs. 15,600,000/- and 12,643 Equity Shares of Rs. 100/- at a premium of Rs. 1481.90/- per Equity Share aggregating to Rs. 20,000,000/-, *inter alia*, on the following terms and conditions:

1. Any increase in the capital of our Company during the term of the Agreement shall be made with the prior written approval of the Investors or in accordance with the conditions set forth in the Agreement.
2. In pursuance to clause 4.5 of the Agreement, in the event our Company raises any further issue of capital, our Company and the Promoters shall issue a notice to the Investors alongwith the appropriate board resolutions and shareholders approval. Our Company or promoters shall be make further issue of shares only upon issuing the notice to the Investors and only in the event the Investors refuse to subscribe to such further issue or the Investors fail to communicate the reply to the notice within 60 days from the date of receipt of the notice.
3. Further, our Promoters shall not create lien on their shares without the prior written permission of the Investors during the term of the Agreement.
4. Further, if our Promoters intend to sell their shares, the Investors may grant permission subject to their exercise of tag along rights whereby Promoters shall be caused to procure the purchase of, by the same purchaser, shares of the Investors at the same price per share and on the same terms and conditions as mutually agreed between the purchaser and the Promoters.
5. Our Company and the Promoters have undertaken on a best efforts basis to cause an IPO and the listing of Equity Shares of the Concerned Stock Exchange latest by September 30, 2010;
6. Our Company and the Promoters shall: -
 - a. Take all requisite steps to commence and complete an IPO by or before September 30, 2010 and get the equity shares listed at the concerned stock exchange acceptable to the investors;
 - b. Take all necessary steps in consultation with the investors including finalisation of prospectus, proposals for increase in equity share capital, issue amount, issue price, mode of issue etc. before approaching concerned Competent Authorities for approvals.

- c. Provide all material information and ensure compliance with all applicable provisions under the Act, SEBI Guidelines and Stock Exchange regulations and other laws in force at the time of the IPO and subsequent listing of the Equity shares of the Company for trading on the Concerned Stock Exchange
 - d. Obtain permission from any bank/s and / or financial institution/s to make a public issue or IPO, if necessary, in terms of the documents relating to the availing of financial assistance by the Company from the such Bank/s and / or Financial Institution/s
 - e. Do all acts and deeds required to achieve the listing on the Concerned Stock Exchange in terms of this Agreement as per the applicable laws.
7. Subject to the SEBI Guidelines and other applicable laws, the Investors shall not be considered a promoter of the Company and therefore their equity shares (including the Investors Equity Shares issued to the Investors and the Equity shares allotted to the Investors on conversion of the CPS held by them) shall not be subject to any statutory lock-in restrictions applicable to the Promoters arising from the IPO.
 8. The Agreement shall be valid till the Investors sell more than 80% of their shares or initial public offering of our Company, whichever is earlier.

Pursuant to the abovementioned Agreement our Company made a preferential allotment of 12,643 equity shares of Rs 100 each and 1,56,000 0.1 % redeemable optionally convertible cumulative preference shares of Rs 100 to the Investor.

Further, pursuant to resolution of the Board of Direction passed in their meeting held on December 07, 2007, these 156,000 0.1% Optionally Convertible Cumulative Preference Shares of Rs. 100/- each issued to the Investors were converted by allotment of 7,026 Equity Shares of Rs. 100/- each at a premium of Rs. 2120.30 per share

For further details of the issue and conversion of CPS and the consequential conversion into Equity Shares please refer to the chapter titled “*Capital Structure*” beginning on page 15 of this Red Herring Prospectus.

Vide a letter dated July 01, 2009 (1) Mr. Shivanand Shankar Mankekar; (2) Mr. Kedar Shivanand Mankekar; and (3) Ms. Laxmi Shivanand Mankekar, the shareholders of our Company have waived their right of first refusal to subscribe to such further Issue in pursuance to clause 4.5 of the Share & CPS Subscription Agreement (dated January 9, 2006 between our Company, Promoters and (1) Mr. Shivanand Shankar Mankekar; (2) Mr. Kedar Shivanand Mankekar; and (3) Ms. Laxmi Shivanand Mankekar) in relation to the issue and allotment of 2,91,339 equity shares of Rs.10/- each at a premium of Rs.625/- per equity share by our Company on October 5, 2009.

Further, Vide a letter dated November 9, 2009 (1) Mr. Shivanand Shankar Mankekar; (2) Mr. Kedar Shivanand Mankekar; and (3) Ms. Laxmi Shivanand Mankekar, the shareholders of our Company gave their consent and no objection from disclosure of their name and details in the investors (non-promoters) category in the Draft Red Herring Prospectus, Red Herring Prospectus, and Prospectus and all other document required to be filed with the relevant authorities with regard to the proposed IPO and in carrying out all such act, procedures and deeds which will be in accordance with the applicable laws, rules, regulations and guidelines and disclose the Share & CPS Subscription Agreement (dated January 9, 2006 between our Company, Promoters and (1) Mr. Shivanand Shankar Mankekar; (2) Mr. Kedar Shivanand Mankekar; and (3) Ms. Laxmi Shivanand Mankekar) as a material document as required under the SEBI (ICDR) Regulations, 2009.

Other Agreements

We are not a party to, nor have we entered into, any other material contract not being a contract:

- (1) Entered into in the normal course of business carried on, or intended to be carried on, by our Company; or
- (2) Entered into more than two (2) years before the date of this Red Herring Prospectus.

OUR SUBSIDIARY

As on date of this Red Herring Prospectus, we do not have any subsidiaries.

OUR JOINT VENTURE AND ASSOCIATE COMPANIES:

1. TALWALKARS PANTALOON FITNESS PRIVATE LIMITED (“TPFPL”)

Corporate structure:

Our Company entered into a joint venture agreement with Pantaloon Retail (India) Limited (the “Pantaloon”) on October 05, 2006 (“Agreement”) to form a joint venture to carry on the business of retail sale and promotion of fitness, wellness products and services.

Pursuant to the Agreement, TPFPL was incorporated on December 19, 2006 as a private limited company and registered with the Registrar of Companies, Mumbai under the name “Talwalkars Pantaloon Fitness Private Limited”. The registered office of TPFPL is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mahalaxmi, Mumbai, Maharashtra. The Company Identification Number of TPFPL is U93020MH2006PTC166332.

TPFPL is engaged, *inter alia*, in the business to organize, build, establish, run, conduct, develop, manage, promote, maintain Gymnasium, Health Centers, Nutrition Centers, Health Club and Physiotherapy Centers.

Board of Directors:

The Board of Directors of TPFPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Sunil Biyani	Director
2.	Mr. Sanjay Saksaria	Director
3.	Mr. Vinayak Ratnakar Gawande	Director
4.	Mr. Anant Ratnakar Gawande	Director
5.	Mr. Girish Madhukar Talwalkar	Director
6.	Mr. Prashant Sudhakar Talwalkar	Director
7.	Mr. Prashant Bharat Desai	Director

Shareholding Pattern:

The shareholding pattern of TPFPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Talwalkars Better Value Fitness Limited	100,000	50
2.	Pantaloon Retail (India) Limited	100,000	50
	TOTAL	200,000	100

Financial Performance:

The audited financial accounts of TPFPL for the last three (3) years are as follows:

<i>(Rs. in million, except per share data)</i>			
Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100 each)	20	20	20
Reserves and Surplus (Excluding Revaluation Reserve)	(33.86)	(15.13)	0.10
Total Income	61.29	32.30	0.83
Profit/(Loss) after Tax	(18.72)	(15.23)	0.10
Earnings per share (in Rs.)	(93.62)	(76.15)	0.49
Net Worth	(13.86)	4.86	20.08
Miscellaneous Expenditure	0.007	0.01	0.01
Net asset value per share (in Rs.)	(69.32)	24.28	100.42

TPFPL is not listed and has not made any public issue of its shares in the preceding three (3) years, Further, no actions has been taken against TPFPL by any Stock Exchanges or SEBI. TPFPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

2. DENOVO ENTERPRISES PRIVATE LIMITED (“DEPL”)

Corporate structure:

DEPL was incorporated on February 8, 2005 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Denovo Enterprises Private Limited”. The registered office of DEPL is situated at A-24, Bharat Nagar, Opp. Shalimar Cinema, Grant Road (E), Mumbai – 400 007, Maharashtra. The Company Identification Number of DEPL is U55100MH2005PTC151128.

DEPL is engaged, *inter alia*, in the business to carry on in India and abroad the business of setting, running, building hotels, fitness club, health center, gymnasium, sports club, recreation club, swimming pools, massage house and paddling pools, libraries, hair, beauty saloons.

Our Company has entered into a shareholders agreement dated August 10, 2006 with Palestra Enterprises Private Limited for carrying on the business of running of health clubs under franchise of our Company in such cities of India as agreed to by our Company.

Board of Directors:

The Board of Directors of DEPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Vikram Harsh Maheshwary	Director
2.	Mr. Madhukar Vishnu Talwalkar	Director
3.	Mr. Girish Madhukar Talwalkar	Director
4.	Mr. Apurvakumar Mangal Das Shanghavi	Director
5.	Mr. Rajesh Hariram Mehta	Director

Shareholding Pattern:

The shareholding pattern of DEPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Talwalkars Better Value Fitness Limited.	50,000	50
2.	Palestra Enterprise Private Limited.	30,000	30
3.	Mr. Rajesh Mehta	7,500	7.5
4.	Mr. Apurva Shanghavi	7,500	7.5
5.	Mr. Vipul Doshi	5,000	5
	Total	1,00,000	100

Financial Performance:

The audited financial accounts of DEPL for the last three (3) years are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100 each)	10	10	10
Reserves and Surplus (Excluding Revaluation Reserve)	3.62	1.15	1.28
Total Income	44.46	39.07	10.67
Profit/(Loss) after Tax	2.47	(0.13)	1.28
Earnings per share (in Rs.)	24.71	(1.32)	12.82
Networth	13.62	(11.15)	11.28
Net asset value per share (in Rs.)	136.23	111.52	112.84

DEPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against DEPL by any Stock Exchanges or SEBI. DEPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

3. EQUINOX WELLNESS PRIVATE LIMITED (“EWPL”)

Corporate structure:

EWPL was incorporated on June 8, 2004 as a private limited company and registered with the Registrar of Companies, West Bengal under the name “Equinox Wellness Private Limited”. The registered office of EWPL is situated at 8, Townsend, Kolkata 700 025, West Bengal, India. The Company Identification Number of EWPL is U85199WB2004PTC098781.

EWPL is engaged, *inter alia*, in the business to own, run, and manage gymnasium and fitness centres.

Denovo Enterprises Private Limited has entered into an agreement dated August 24, 2006 with EWPL and Mr. Abhishek Sharma, Ms. Ashmita Sharma, Mr. Anupam Sharma, Mr. Vishwanath Sharma, Mrs. Sunita Sharma whereby Denovo has subscribed to 66.67% of the post issue paid up capital of EWPL.

Board of Directors:

The Board of Directors of EWPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Rajesh Hariram Mehta	Director
2.	Mr. Abhishek Sharma	Director
3.	Mr. Girish Shrinivas Nayak	Director

Shareholding Pattern:

The shareholding pattern of EWPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Denovo Enterprises Private Limited	4,00,000	66.67
2.	Mr. Abhishek Sharma	40,000	6.67
3.	Ms. Ashmita Sharma	40,000	6.67
4.	Mr. Anupam Sharma	40,000	6.67
5.	Mr. Vishwanath Sharma	40,000	6.66
6.	Ms. Sunita Sharma	40,000	6.66
	Total	6,00,000	100.00

Financial Performance:

The audited financial accounts of EWPL for the last three (3) years are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 10 each)	6.00	6.00	6.00
Reserves and Surplus (Excluding Revaluation Reserve)	1.41	1.36	1.61
Total Income	10.57	8.78	8.70
Profit/(Loss) after Tax	0.05	(0.26)	0.37
Earnings per share (in Rs.)	0.09	(0.43)	0.62
Networth	5.19	5.57	7.52
Miscellaneous Expenditure	2.22	0.07	0.09
Net asset value per share (in Rs.)	8.65	9.29	12.53

EWPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no actions has been taken against EWPL by any Stock Exchanges or SEBI. EWPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

4. ASPIRE FITNESS PRIVATE LIMITED (“Aspire”)

Corporate Profile:

Our Company and Life Fitness India Private Limited entered into a Memorandum of Understanding (“MoU”) dated November 05, 2009 for forming a joint venture company whereby our Company would hold 50% plus one share of its equity shareholding.

Pursuant to this MoU, Aspire Fitness Private Limited, a private limited company was incorporated under the Companies Act, 1956, on December 05, 2009, bearing CIN U85100MH2009PTC197625. Subsequently, we have entered into a Addendum to the MoU dated December 24, 2009 whereby our shareholding is to remain 50% of Aspire’s equity shareholding.

Board of Directors:

The Board of Directors of Aspire as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Virendra Sherlekar	Director
2.	Mr. Anant Ratnakar Gawande	Director
3.	Mr. Madhukar Vishnu Talwalkar	Director
4.	Mr. Girish Madhukar Talwalkar	Director

Shareholding Pattern:

The shareholding pattern of Aspire as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held (of Rs. 100 each)	Percentage of Shareholding (%)
1.	Talwalkars Better Value Fitness Limited	500	50.00
2.	Life Fitness India Private Limited	500	50.00
	Total	1,000	100.00

Financial Performance:

Aspire was incorporated on December 05, 2009 and does not carry any business as on date, hence audited financial accounts for the last three (3) years cannot be provided.

Strategic Partners

Our Company does not have any strategic partners as on date of this Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on date of this Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) Directors, subject to Section 252 and 259 of the Companies Act, 1956. As on date of this Red Herring Prospectus, we have twelve (12) Directors on our Board, of which six (6) directors are Whole-time Director and six (6) directors are Independent Directors.

The following table sets forth the details of the Board of Directors:

Sr. No.	Name, Designation, Father's Name, Address, Nationality, Occupation and DIN	Age (Yrs)	Date of Appointment as Director & Term	Details of other Directorships
1.	Mr. Madhukar Vishnu Talwalkar Executive Chairman s/o Late Mr. Vishnu Talwalkar C-37/40, Pandurang Society, Dr. A. B. Nair Road, Juhu, Mumbai 400 049, Maharashtra Nationality- Indian Occupation - Business DIN – 00341613	76	Since date of Inception <i>i.e.</i> April 24, 2003 Re-appointed as an Executive Chairman and Whole-time Director of our Company for a period of 5 years from October 01, 2009 to September 30, 2014 <i>vide</i> resolution passed at Board of Directors meeting held on August 08, 2009 and the AGM held on September 10, 2009	1. Talwalkars Omnifitness Private Limited 2. Life Fitness India Private Limited 3. Denovo Enterprises Private Limited. 4. Pinnacle Fitness Private Limited 5. Aspire Fitness Private Limited
2.	Mr. Prashant Sudhakar Talwalkar Managing Director & CEO s/o Mr. Sudhakar Talwalkar 26, Sheesh Mahal, D'Monte Park Road, Bandra (West), Mumbai 400 050, Maharashtra Nationality- Indian Occupation - Business DIN – 00341715	47	Was appointed as an Additional Director <i>vide</i> resolution dated April 25, 2003 and was confirmed <i>vide</i> resolution passed in AGM dated September 30, 2004 Was appointed as Managing Director of our Company <i>vide</i> resolutions passed in Board of Directors dated June 18, 2009 and EGM dated July 08, 2009 for a term of 5 years commencing from June 18, 2009 to June 17, 2014	1. Talwalkars Pantaloon Fitness Private Limited 2. R2 Infrastructure Private Limited

Sr. No.	Name, Designation, Father's Name, Address, Nationality, Occupation and DIN	Age (Yrs)	Date of Appointment as Director & Term	Details of other Directorships
3.	Mr. Vinayak Ratnakar Gawande Whole-time Director s/o Late Mr. Ratnakar Gawande E-6, Prathamesh CHS, Twin Tower Lane, Off. Veer Savarkar Marg, Prabhadevi, Mumbai 400 025, Maharashtra Nationality- Indian Occupation - Business DIN- 00324591	51	Since date of Inception <i>i.e.</i> April 24, 2003 Re-appointed as a Whole-time Director of our Company for a period of 5 years from October 01, 2009 to September 30, 2014 <i>vide</i> resolution passed at Board of Directors meeting held on August 08, 2009 and the AGM held on September 10, 2009	1. Radhika Hotels Private Limited 2. Gawande Consultants Private Limited 3. Better Value Brands Private Limited 4. Talwalkars Pantaloon Fitness Private Limited 5. Better Value Properties Private Limited 6. Better Value Restaurants Private Limited 7. Mobi apps (India) Private Limited 8. Better Value Leasing & Finance Limited
4.	Mr. Girish Madhukar Talwalkar Executive Director s/o Mr. Madhukar Talwalkar D-22, New Juhu, Park Co-operative Housing Society, 3 rd floor, Opp ISKON Temple, Juhu, Mumbai 400 049, Maharashtra Nationality- Indian Occupation - Business DIN - 00341675	48	Appointed as Additional Director <i>vide</i> resolution dated April 25, 2003 and was confirmed <i>vide</i> resolution passed in AGM dated September 30, 2004 Re-appointed as a Whole-time Director of our Company for a period of 5 years from October 01, 2009 to September 30, 2014 <i>vide</i> resolution passed at Board of Directors meeting held on August 08, 2009 and the AGM held on September 10, 2009	1. Talwalkars Omnifitness Private Limited 2. Talwalkars Pantaloon Fitness Private Limited 3. Better Value Properties Private Limited 4. Denovo Enterprises Private Limited 5. Aspire Fitness Private Limited
5.	Mr. Harsha Ramdas Bhatkal Whole-time Director s/o Mr. Ramdas Bhatkal N-5, Prathamesh CHS, Off. Veer Savarkar Road, Prabhadevi, Mumbai- 400 025, Maharashtra Nationality- Indian Occupation - Business	47	Appointed as Additional Director <i>vide</i> Board resolution dated April 25, 2003 and was confirmed <i>vide</i> resolution passed in AGM dated September 30, 2004	1. Popular Prakashan Private Limited 2. Indian Cookery.Com Private Limited 3. Better Value Brands Private Limited 4. Brainworks Learning Systems Private Limited 5. Popular Institute of Art Private Limited 6. Better Value Leasing & Finance Limited

Sr. No.	Name, Designation, Father's Name, Address, Nationality, Occupation and DIN	Age (Yrs)	Date of Appointment as Director & Term	Details of other Directorships
	DIN – 00283946		Re-appointed as a Whole-time Director of our Company for a period of 5 years from October 01, 2009 to September 30, 2014 vide resolution passed at Board of Directors meeting held on August 08, 2009 and the AGM held on September 10, 2009	
6.	Mr. Anant Ratnakar Gawande Whole-time Director & CFO s/o Late Mr. Ratnakar Gawande A/173, Twin Tower, Twin Tower Lane, Off. Veer Savarkar Marg, Prabhadevi, Mumbai- 400 025, Maharashtra Nationality- Indian Occupation - Business DIN – 00324734	42	Appointed as Additional Director vide resolution dated April 25, 2003 and was confirmed vide resolution passed in AGM dated September 30, 2004 Re-appointed as a Whole-time Director of our Company for a period of 5 years from October 01, 2009 to September 30, 2014 vide resolution passed at Board of Directors meeting held on August 08, 2009 and the AGM held on September 10, 2009	1. Anfin Investments Private Limited 2. Popular Institute of Art Private Limited 3. Gawande Consultants Private Limited 4. Vrindavan Restaurant Private Limited 5. Better Value Brands Private Limited 6. Talwalkars Pantaloon Fitness Private Limited 7. Brainworks Learning Systems Private Limited 8. Better Value Restaurant Private Limited 9. Better Value Properties Private Limited 10. Better Value Leasing & Finance Limited 11. Aspire Fitness Private Limited
7.	Mr. Manohar Gopal Bhide Independent Director s/o Mr. Gopal Bhide A/5, Bageshree, Shankar Ghanekar Marg, Prabhadevi, Mumbai- 400 025 Maharashtra Nationality - Indian Occupation - Business DIN – 00001826	71	Appointed as an Additional Director vide Board resolution dated October 09, 2009	1. J P Morgan Securities India Private Limited 2. Finolex Industries Limited 3. Mahindra Shubhlabh Services Limited 4. SBI Global Factors Limited 5. IOT Infrastructure & Energy Services Limited 6. Asset Reconstruction Company (India) Limited 7. Mahindra & Mahindra Financial Services Limited 8. India First Life Insurance Company Limited
8.	Mr. Raman Hirji Maroo Independent Director	59	Appointed as an Additional Director vide	1. Shemaroo Holdings Private Limited 2. ACE Telefilms (India) Private Limited 3. Novatech Finvest (India) Private

Sr. No.	Name, Designation, Father's Name, Address, Nationality, Occupation and DIN	Age (Yrs)	Date of Appointment as Director & Term	Details of other Directorships
	s/o Mr. Hirji Maroo 21/A, Woodland, 67 Dr. G. Deshmukh Marg, Mumbai 400 026, Maharashtra Nationality- Indian Occupation – Industry DIN – 00169152		Board resolution dated October 09, 2009	Limited 4. Mitoch Pharma Private Limited 5. Multi Screen Media Private Limited 6. MSM Satellite (Singapore) Pte Limited 7. MSM Asia Limited 8. Shemaroo Entertainment Private Limited 9. Orbit Shelter Private Limited 10. Atlas Equifin Private Limited 11. Think Walnut Digital Private Limited 12. Orbit Corporation Limited
8.	Mr. Mohan Motiram Jayakar Independent Director s/o Mr. Motiram Jayakar 12, Makani Manor, Peddar Road, Mumbai- 400 026, Maharashtra Nationality- Indian Occupation – Advocate and Solicitor DIN – 00925962	58	Appointed as an Additional Director vide Board resolution dated October 09, 2009	1. Macrocosm Industries Private Limited 2. Macrocosm Infrastructure Private Limited 3. Vericom Global Private Limited 4. Photoquip India Limited 5. Everest Kanto Cylinder Limited 6. Satyagiri Shipping Company Limited 7. Mysore Petrochemicals Limited 8. Shree Ram Urban Infrastructure Limited 9. Birla Cotysn (I) Limited
10.	Dr. Avinash Achyut Phadke Independent Director s/o Mr. Achyut Phadke A-1, Asavari, Veer Savarkar Road, Mahim. Mumbai- 400 016 Maharashtra Nationality- Indian Occupation - Doctor DIN – 00799476	55	Appointed as an Additional Director vide Board resolution dated October 09, 2009	1. Piramal Diagnostic Services Pvt. Ltd.
11	Mr. Abhijeet Rajaram Patil Independent Director s/o Mr. Rajaram Rauji Patil 3 rd Floor, 214, Sweet Home, L.J Road, Mahim (West), Mumbai 400 016, Maharashtra, Nationality- Indian Occupation - Industry DIN – 00356630	43	Appointed as an Additional Director vide Board resolution dated November 11, 2009	1. Raja Rani Travels Private Limited 2. Raja Rani Retail Tourism Private Limited 3. Raja Rani Heath Alliance Private Limited 4. Qasswa Hajj Umrah Travels Private Limited
12	Mr. Glenn Mario Saldanha Independent Director s/o Mr. Gracias Anthony Saldanha	40	Appointed as an Additional Director vide Board resolution dated October 09, 2009	1. Glenmark Pharmaceuticals Limited. 2. Glenmark Exports Limited. 3. Glenmark Generics Limited. 4. Glenmark Generic Inc., USA 5. Glenmark Dominicana S.A

Sr. No.	Name, Designation, Father's Name, Address, Nationality, Occupation and DIN	Age (Yrs)	Date of Appointment as Director & Term	Details of other Directorships
	Flat No. 1101, Rustumjees La Solita 11 th Floor, 16 th Turner Road, Bandra (West), Mumbai 400 050, Maharashtra Nationality- Indian Occupation - Industry DIN – 00050607			6. Glenmark Pharmaceuticals S.A., Switzerland 7. Glenmark Holding S.A., Switzerland 8. Glenmark Generics Holding S.A. 9. Glenmark Generics Finance S.A. 10. Glenmark Therapeutics Inc., USA

Brief Biographies of our Directors

1. Mr. Madhukar Vishnu Talwalkar, Executive Chairman, Age: 76 years

Mr. Madhukar Vishnu Talwalkar, is the Executive Chairman of our Company. He holds Bachelors degree in Textile Engineering from Veer Jijamata Technical Institute, Mumbai and has 50 years of experience in health and fitness industry. He has been the Founder President of Greater Bombay Body Builders Association and is the current President of Maharashtra State Body Builders Federation. He has been driving force for our Company, guiding us for our expansion and positioning and has significantly contributed in our being leader in the industry of health and fitness.

2. Mr. Prashant Sudhakar Talwalkar, Managing Director and CEO, Age: 47 years

Mr. Prashant Sudhakar Talwalkar, is the Managing Director and CEO of our Company. He holds Bachelors degree in Science from University of Mumbai and has 25 years experience in marketing of health clubs. He has been spearheading the effort to evolve as efficient and currently he is the Managing Director of our Company. The health clubs / spas of Talwalkars Pantaloon Fitness Private Limited are pioneered and supervised by him. He has been a key person to expand the brand-name of our Company in events like the Pantaloons Femina Miss India 2009 and Standard Chartered Mumbai Marathon 2008 and 2009. He is also responsible for corporate tie ups and other promotional activities of our Company.

3. Mr. Vinayak Ratnakar Gawande, Whole-time Director, Age: 51 years

Mr. Vinayak Ratnakar Gawande, is the Whole-time Director of our Company. He holds Bachelors Degree in Commerce from Mumbai University and has 30 years experience in taxation, law and finance industry. He also manages a section of hospitality sector of the group, managing a 3 star hotel at Khandala. He is currently in charge of direct and indirect tax and legal matters of our Company.

4. Mr. Girish Madhukar Talwalkar, Whole-time Director, Age: 48 years

Mr. Girish Madhukar Talwalkar, is the Whole-time Director of our Company. He holds Masters Degree in Physiotherapy from Mumbai University and has 20 years experience in handling the task of setting up and running health clubs. His expertise in project management and execution has helped the growth of our Company. He is responsible for strategic planning, corporate tie ups and human resource (HR) function of our Company and other promotional activities.

5. Mr. Harsha Ramdas Bhatkal, Whole-time Director, Age: 47 years

Mr. Harsha Ramdas Bhatkal, is the Whole-time Director of our Company. He holds a Bachelors Degree in Commerce and a Masters Degree in Business Administration from Jamnalal Bajaj Institute of Management Studies, Mumbai and has 25 years experience in publishing and marketing industry. Following, this he worked as a business journalist for Update magazine and then joined his family owned Popular Prakashan Private Limited as sales manager. He took over Value Added News Service a fledgling business database service and went on to create Vans Information one of the pioneers in the electronic information services in India. He has won several awards, including the Paul Hamlyn scholarship for young Indian publishers as also the Award for excellence in publishing given by the Federation of Indian Publishers to young Indian publishers. He is responsible for brand strategy and overall marketing of the brand of our Company.

6. Mr. Anant Ratnakar Gawande, Whole-time Director and CFO, Age: 42 years

Mr. Anant Ratnakar Gawande, is the Whole-time Director and CFO of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1989 and has 20 years experience in the finance industry with specialization in leasing and hire purchase finance, investment banking, portfolio advisory services and general banking service. He has promoted Anfin Investments Private Limited and has been associated in the past

with Better Value Leasing and Finance Limited, Vans Information Limited, Brainworks Learning Systems Private Limited and Popular Institute of Art Private Limited. As Whole-time Director and CFO of our Company he is actively in charge of the entire finance operations including budgets and controls of our Company.

7. Mr. Manohar Gopal Bhide, Non- Executive - Independent Director, Age: 71 years

Mr. Manohar Gopal Bhide, is the Non- Executive - Independent Director of our Company. He holds Masters degree in Arts in Economics from Mumbai university and has experience of 49 years in the area of banking and finance. He has been the Chairman and Managing Director of Bank of India. He was also associated with State Bank of India as Managing Director and Group Executive (National Banking Division). Prior to that he served State Bank of India as Deputy Managing Director and Chief Credit Officer. He has also worked as Chief Executive Officer – State Bank of India (London), Chairman – National Institute of Banking Management, Pune, Chairman – Bank of India Shareholding Limited, Chairman – Bank of India Asset Management Company Limited and Chairman Bank of India (Africa) Limited. He has been a member of the high level committee set up to investigate activities of the Unit Trust of India and the expert committee appointed by the Government of India to review the system of administered interest rates and other related issues.

8. Mr. Raman Hirji Maroo, Non- Executive - Independent Director, Age: 59 years

Mr. Raman Hirji Maroo, is the Non- Executive - Independent Director of our Company. He holds Bachelors of Science degree from Mumbai University and has a 30 years experience in the field of Entertainment Industry. Currently, he is the Managing Director of Shemaroo Entertainment Private Limited (“Shemaroo”). Mr. Maroo joined Shemaroo in 1974. In the year 1987, he acquired Hindi Film Video Rights for Home Video and cable and satellite distribution. He was responsible for Shemaroo’s joint venture partnership with Sony Pictures Entertainment (LS, USA) to set up Sony Entertainment Television in India.

9. Mr. Mohan Motiram Jayakar, Non- Executive - Independent Director, Age: 58 years

Mr. Mohan Motiram Jayakar, is the Non- Executive - Independent Director of our Company. He holds a bachelors degree in law from Government Law College, Mumbai and obtained his solicitors degree in the year 1975. He was a partner with M/s. Gagrut & Co. for 22 years, having attended to all the aspects of law and specialized in customs, central excise and foreign exchange matters including writs and criminal procedure. He was a member of shipping committee of the Bombay Chamber of Commerce and has attended to International Commercial Commodity Arbitrations and Shipping and other Maritime Arbitrations. He was also a member of the panel of Arbitrators of Bombay Incorporated Law Society. He has attended to Joint Ventures, Acquisitions and Mergers and advised corporates in setting up entities in Free Trade Zone in India as well as Tax Havens worldwide including the Free Trade Zone – Dubai. He has vast experience in commercial litigations, writ litigations, election petitions, Public Interest Litigations and has appeared before various courts including Board of Industrial and Financial Reconstruction & Appellate Authority of Industrial and Financial Reconstruction and Commissionerates of both customs and central excise, Customs, Excise and Gold Control (Appellate) Tribunal, appellate tribunal of Forex, arbitrations before Grain and Feed Trade Association, Federation of Oil, Seeds and Fats Association and arbitrations held as per the rules of the Indian Chamber of Commerce and Singapore International Arbitration Centres. He is presently the senior partner in M/s. Khaitan, Jayakar, Sud and Vohra and heads the entire operations of the Mumbai branch of the firm.

10. Dr. Avinash Achyut Phadke, Non- Executive - Independent Director, Age: 55 years

Dr. Avinash Achyut Phadke, is the Non- Executive - Independent Director of our Company. He passed D.P.B. in October, 1980 and was awarded Dr. Salaskar Gold Medal for the same and M. D. (Path) from Mumbai University in April, 1981 and was awarded special merit certificate for the same from the University of Bombay and has 30 years of experience in pathologic practice. He participated in many regional, national and international conferences. He is Honorary Secretary to Prince Aly Khan Hospital and president of executive committee and advisor to Prince Aly Khan Hospital and Aga Khan Health Foundation. He is also a faculty member at Tata Institute of Social Science, Bhabha Atomic Research Centre, advisor to Family Planning Association of India, Dhanwantari Hospital, Teacher for M.D. Pathology, Bombay University. He has been awarded with Times of India group of publication – Professional of the year award by Maharashtra Times in year 2008, Healthcare Express award – selected as one of the best fifty healthcare professionals in the country in the year 2008, Best Laboratory award – one of the best quality labs in the country in the group of top seven quality laboratories in India in May 2009 by Healthcare Express, Distinguished Doctor Award by Indian Medical Association Mumbai at special felicitation function held at IMA hall on July 05, 2009.

11. Mr. Abhijeet Rajaram Patil, Non- Executive, Independent Director, Age : 43 years

Mr. Abhijeet Rajaram Patil, is the Non- Executive, Independent Director of our Company. He holds a Bachelor’s Degree in Commerce from Mumbai University and is having 24 years of experience in tourism industry. He has worked with Eli Lilly’s global marketing team, USA soon after completing his graduation. Mr. Abhijeet Patil has been involved in the family travel business since the age of 12 years. Currently, he is the Chairman and Chief Executive Officer of Raja Rani Travels Private Limited.

12. Mr. Glenn Mario Saldanha, Non- Executive, Independent Director, Age : 40 years

Mr. Glenn Mario Saldanha, is the Non- Executive, Independent Director of our Company. He holds a Bachelor's Degree in Pharmacy from Mumbai University and is Masters Degree in Business Administration from Leonard Stern School of Business, New York University and is having 15 years of experience in Pharmaceutical Industry. He has worked with Eli Lilly's global marketing team, USA soon after completing his graduation. Mr. Saldanha has also worked with PriceWater House Copper, USA and has had an opportunity to work for pharmaceutical companies like, Rone Poulenc Rhorer, Bristol Myers Squibb, Astra Merck and Smith Kline Beecham, as a consultant. Currently, he is the Managing Director and Chief Executive Officer of Glenmark Pharmaceuticals Limited.

Borrowing powers of Board of Directors

Pursuant to an special resolution passed at the EGM of our shareholders held on November 14, 2009 our Directors were authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to time, pursuant to the provisions of Section 293(1) (d) of the Companies Act, subject to an amount not exceeding Rs. 2,500.00 million.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page 296 of this Red Herring Prospectus.

Remuneration/Compensation of Directors

(i) Whole-time Director

Terms and Conditions of Employment of the Directors

Name of Director	Resolution	Details of Remuneration	Term
Mr. Madhukar Vishnu Talwalkar	Board Resolution dated August 08, 2009 and AGM Resolution dated September 10, 2009	Upto Rs. 0.35 million per month	Liable to retire by rotation
Mr. Prashant Sudhakar Talwalkar	Board Resolution August 08, 2009 and AGM Resolution dated September 10, 2009	Upto Rs. 0.35 million per month	Liable to retire by rotation
Mr. Vinayak Ratnakar Gawande	Board Resolution dated August 08, 2009 and AGM Resolution dated September 10, 2009	Upto Rs. 0.35 million per month	Liable to retire by rotation
Mr. Girish Madhukar Talwalkar	Board Resolution dated August 08, 2009 and AGM Resolution dated September 10, 2009	Upto Rs. 0.35 million per month	Liable to retire by rotation
Mr. Harsha Ramdas Bhatkal	Board Resolution dated September 10, 2009	Upto Rs. 0.35 million per month	Liable to retire by rotation
Mr. Anant Ratnakar Gawande	Board Resolution dated August 08, 2009 and AGM Resolution dated September 10, 2009	Upto Rs. 0.35 million per month	Liable to retire by rotation

The details of all the cash benefits paid, whether in nature of remuneration or allowances or perquisites or otherwise, to all the directors in the last financial year ending March 31, 2009 are as follows:

Particulars	Amount (Rs. Mn.)
Mr. Madhukar Talwalkar	6.38
Mr. Prashant Talwalkar	4.28
Mr. Vinayak Gawande	2.85
Mr. Girish Talwalkar	4.28
Mr. Harsha Bhatkal	2.85
Mr. Anant Gawande	2.85

(ii) **Independent Directors:** Our Independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board. Currently, the sitting fees payable by our Company to our Directors is Rs. 10,000/- for

every meeting of the Board attended by them and Rs. 10,000/- for every meeting of the committee of the Board attended by them.

Shareholding of our Directors

As per our Articles, our Directors are not required to hold any Equity Shares in our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Directors	Number of Equity Shares	% of Post Issue Paid-up Capital
1.	Mr. Madhukar Vishnu Talwalkar	2,832,280	11.74
2.	Mr. Prashant Sudhakar Talwalkar	2,864,280	11.88
3.	Mr. Vinayak Ratnakar Gawande	1,920,200	7.96
4.	Mr. Girish Madhukar Talwalkar	2,864,280	11.88
5.	Mr. Harsha Ramdas Bhatkal	1,920,200	7.96
6.	Mr. Anant Ratnakar Gawande	1,920,200	7.96
7.	Dr. Avinash Achyut Phadke	64,000	0.27
8.	Mr. Manohar Gopal Bhide	6,296	0.03

None of our Directors or Key Managerial Personnel are “relatives” within the meaning of Section 6 of the Companies Act except as stated below:

Names of our Directors	Relation
Mr. Madhukar Vishnu Talwalkar	Father of Mr. Girish Madhukar Talwalkar and Uncle of Mr. Prashant Sudhakar Talwalkar
Mr. Prashant Sudhakar Talwalkar	Nephew of Mr. Madhukar Vishnu Talwalkar and cousin of Mr. Girish Madhukar Talwalkar
Mr. Vinayak Ratnakar Gawande	Brother of Mr. Anant Ratnakar Gawande
Mr. Girish Madhukar Talwalkar	Son of Mr. Madhukar Vishnu Talwalkar and cousin of Mr. Prashant Sudhakar Talwalkar
Mr. Anant Ratnakar Gawande	Brother of Mr. Vinayak Ratnakar Gawande

None of our Directors are appointed pursuant to any arrangement or understanding with major shareholders, customers or suppliers.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Whole-time Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with any either the Director himself, other company in which they hold directorships or any partnership firm in which they are partners, as declared in their respective declarations.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and / or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be

subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

Further, the premise in Sangli, from where we operate our health club, is taken on 'lease and license basis' from Mr. Prashant Talwalkar, our promoter Managing Director, for the monthly license fee of Rs. 0.14 million (as applicable on the date of this Red Herring Prospectus). The license period for this commercial space admeasuring 6,600 sq. ft. carpet area is till April 30, 2013. Likewise, we operate our health club from the premise in Ulsoor Road, Bengalooru, which is again taken on 'lease and license basis', from Better Value Properties Private Limited, one of our Group Companies. Our promoter directors, viz., Mr. Vinayak Gawande, Mr. Anant Gawande and Mr. Harsha Bhatkal collectively holds 83.19% in Better Value Brands Private Limited, 100% holding company of Better Value Properties Private Limited, as on the date of this Red Herring Prospectus. The monthly license fee for this commercial space admeasuring 534.56 sq. mts. is Rs. 0.43 million (as applicable on the date of this Red Herring Prospectus) and the license period is till March 31, 2013.

Save and except as above, our Directors do not have any interest in any property acquired by our Company in a period of two years before the date this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus. For further details please refer to paragraph titled "*Our Properties*" in the chapter titled "*Our Business*" beginning on page 58 of this Red Herring Prospectus.

Further, save and except as stated otherwise under the paragraph titled "*Shareholding of our Directors*" in this chapter on page 96; in the chapter titled "*Related Party Transactions*" beginning on page 143 of this Red Herring Prospectus; under the *Annexure VII* in the chapter titled "*Financial Statements*" beginning on page 145 of this Red Herring Prospectus, and under the paragraphs titled "*Interest of Promoters in our Company*" and "*Common Pursuits*" in the chapter titled "*Our Promoters and their Background*" beginning on page 106 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Changes in our Board of Directors during the last three years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name and Designation of the Director	Date of Appointment	Date of Resignation	Reasons
Mr. Raman Hirji Maroo	October 09, 2009	-	Appointment
Mr. Mohan Motiram Jayakar	October 09, 2009	-	Appointment
Mr. Manohar Gopal Bhide	October 09, 2009	-	Appointment
Dr. Avinash Achyut Phadke	October 09, 2009	-	Appointment
Mr. Glenn Mario Saldanha	October 09, 2009	-	Appointment
Mr. Abhijeet Rajaram Patil	November 11, 2009	-	Appointment

Corporate Governance

The provisions of the Listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance become applicable to the Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has taken steps to comply with such provisions, as contained in Equity Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder / Investor Grievance Committee, etc. Further, Our Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Composition of Board of Directors

Presently, the Board of Directors of our Company consists of 12 (twelve) Directors, of which 6 (six) are Whole-time Director and 6 (six) are Independent Directors. The Chairman of our Company, Mr. Madhukar Talwalkar is an Whole-time Director. In compliance with the requirements of Clause 49 of the listing agreement, at least 50% of the Board comprises independent Directors. The list of directors is given below:

Sr. No.	Director	Designation
1.	Mr. Madhukar Vishnu Talwalkar	Chairman (Executive)

2.	Mr. Prashant Sudhakar Talwalkar	Managing Director & CEO
3.	Mr. Vinayak Ratnakar Gawande	Whole-time Director
4.	Mr. Girish Madhukar Talwalkar	Whole-time Director
5.	Mr. Harsha Ramdas Bhatkal	Whole-time Director
6.	Mr. Anant Ratnakar Gawande	Whole-time Director and CFO
7.	Mr. Manohar Gopal Bhide	Independent Director
8.	Mr. Raman Hirji Maroo	Independent Director
9.	Mr. Mohan Motiram Jayakar	Independent Director
10.	Dr. Avinash Achyut Phadke	Independent Director
11.	Mr. Abhijeet Rajaram Patil	Independent Director
12.	Mr. Glenn Mario Saldanha	Independent Director

Various Committees of Directors:

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

1. Audit Committee
2. Remuneration /Compensation Committee
3. Shareholders' / Investor Grievance Share Allotment and Share Transfer Committee
4. IPO Committee
5. Management Committee

1. Audit Committee

The Audit Committee was constituted *vide* Board Resolution dated November 11, 2009 under the Chairmanship of Mr. Abhijeet Rajaram Patil, who comes with finance and accounting background. The terms of reference of the Audit Committee cover the matters specified under Section 292A of the Companies Act and clause 49 of the Listing Agreement. The Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Abhijeet Rajaram Patil	Chairman	Independent Director
Dr. Avinash Achyut Phadke	Member	Independent Director
Mr. Anant Ratnakar Gawande	Member	Whole-time Director and CFO

The Audit Committee enjoys following powers: -

1. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee;
2. To investigate any activity within its terms of reference;
3. To seek information from any employee;
4. To obtain outside legal or other professional advice; and
5. To secure attendance of outsiders with reasonable expertise, if considered necessary.

The scope of Audit Committee shall include but shall not be restricted to the following:

- 1) Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Appointment, removal and terms of remuneration of internal auditors
- 5) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;

- Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- 6) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - 7) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - 8) Monitoring the use of the proceeds of the proposed initial public offering of the Company.
 - 9) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - 10) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
 - 11) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
 - 12) Discussion with internal and statutory auditors on any significant findings and reviewing findings of internal investigations by internal auditors, like matters of fraud or irregularity or failure of internal control systems, if any;
 - 13) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - 14) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 15) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
 - 16) To review the functioning of the Whistle Blower mechanism, when the same is adopted by the Company and is existing;
 - 17) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of our Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

2. Remuneration / Compensation Committee

For Remuneration of Directors, our Company has constituted Remuneration/Compensation Committee vide Board Resolution dated November 11, 2009. Committee has powers of recommending remuneration package to all Directors as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance.

The composition of the Remuneration / Compensation Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Manohar Gopal Bhide	Chairman	Independent Director
Dr. Avinash Achyut Phadke	Member	Independent Director

Mr. Abhijeet Rajaram Patil	Member	Independent Director
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The scope of Remuneration/Compensation Committee shall include but shall not be restricted to the following:

- 1) To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/ Deputy Managing/ Whole-time / Executive Directors, including all elements of remuneration package (*i.e.* salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees *etc.*);
- 2) To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Wholetime/ Executive Directors, including pension rights and any compensation payment;
- 3) To implement, supervise and administer any share or stock option scheme of our Company
- 4) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Meeting of Remuneration/Compensation Committee

The Committee is required to meet at least once a year.

3. Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee

For redressing the Shareholder/ Investor complaints, the Company had first constituted Shareholders'/Investors Grievance, Share Allotment and Share Transfer Committee vide resolution dated November 16, 2009 as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance. The present committee consists of the following members:-

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Abhijeet Rajaram Patil	Chairman	Independent Director
Mr. Girish Madhukar Talwalkar	Member	Whole-time Director
Mr. Anant Ratnakar Gawande	Member	Whole-time Director and CFO

This committee will address all grievances of Shareholders/Investors in compliance of the provisions of clause 49 of the Listing agreements with the Stock Exchanges and its terms of reference include the following:

- 1) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- 2) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates
- 3) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- 4) Allotment and listing of shares in future;
- 5) Review of cases for refusal of transfer / transmission of shares and debentures;
- 6) Reference to statutory and regulatory authorities regarding investor grievances; and
- 7) Ensure proper and timely attendance and redressal of investor queries and grievances.
- 8) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

4. IPO Committee

The IPO Committee was constituted *vide* Board Resolution dated November 09, 2009 to oversee and inform the Audit Committee when money is raised through prospectus or rights or preferential issues and shall inform of funds received, utilized, pending for project implementation *etc.* for the information of the Stock Exchanges and Investors and shall keep the information up dated through our Company's website. The composition of the IPO Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Manohar Gopal Bhide	Chairman	Independent Director

Mr. Vinayak Ratnakar Gawande	Member	Whole-time Director
Mr. Girish Madhukar Talwalkar	Member	Whole-time Director
Mr. Anant Ratnakar Gawande	Member	Whole-time Director and CFO

The terms of reference of the IPO Committee of our Company includes:

- 1) to decide on the actual size of the Issue, including any reservation shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the Issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- 2) to appoint and enter into arrangements with the Book Running Lead Manager, Co-Managers to the Issue, Underwriters to the Issue, Syndicate Members to the Issue, Advisors to the Issue, Stabilizing Agent, Brokers to the Issue, Escrow Collection Bankers to the Issue, Registrars, Legal Advisors to the Issue, Legal Advisors to our Company, Legal Advisors as to Indian and overseas jurisdictions, advertising and/or promotion or public relations agencies and any other agencies or persons;
- 3) to finalize and settle and to execute and deliver or arrange the delivery of the offering documents (the Red Herring Prospectus, the Red Herring Prospectus, Final Prospectus (including the international wrap and final international wrap, if required, for marketing of the Issue in jurisdictions outside India), syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Issue of shares or the Issue by our Company;
- 4) to open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the Issue of the shares of our Company;
- 5) to open one or more bank account of our Company such name and style as may be decided for the handling of refunds for the Issue;
- 6) to make any applications to the RBI, FIPB and such other authorities, as may be required, for the purpose of Issue of shares by our Company to non-resident investors including but not limited to NRIs, FIIs, FVCI's and other non-residents;
- 7) to make applications for listing of the equity shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- 8) to settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of shares as it may, in its absolute discretion deem fit; and
- 9) to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules.

5. Management Committee

The Management Committee was constituted *vide* Board Resolution dated March 23, 2010 to review the operations of the committee. The composition of the Management Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Madhukar Vishnu Talwalkar	Chairman	Whole-time Director
Mr. Prashant Sudhakar Talwalkar	Member	Managing Director and CEO
Mr. Vinayak Ratnakar Gawande	Member	Whole-time Director
Mr. Girish Madhukar Talwalkar	Member	Whole-time Director and CFO
Mr. Harsha Ramdas Bhatkal	Member	Whole-time Director
Mr. Anant Ratnakar Gawande	Member	Whole-time Director
Mr. Manohar Gopal Bhide	Member	Independent Director
Mr. Abhijeet Rajaram Patil	Member	Independent Director

The Company Secretary of our Company shall act as the Secretary to the Management Committee

The terms of reference of the Management Committee of our Company includes:

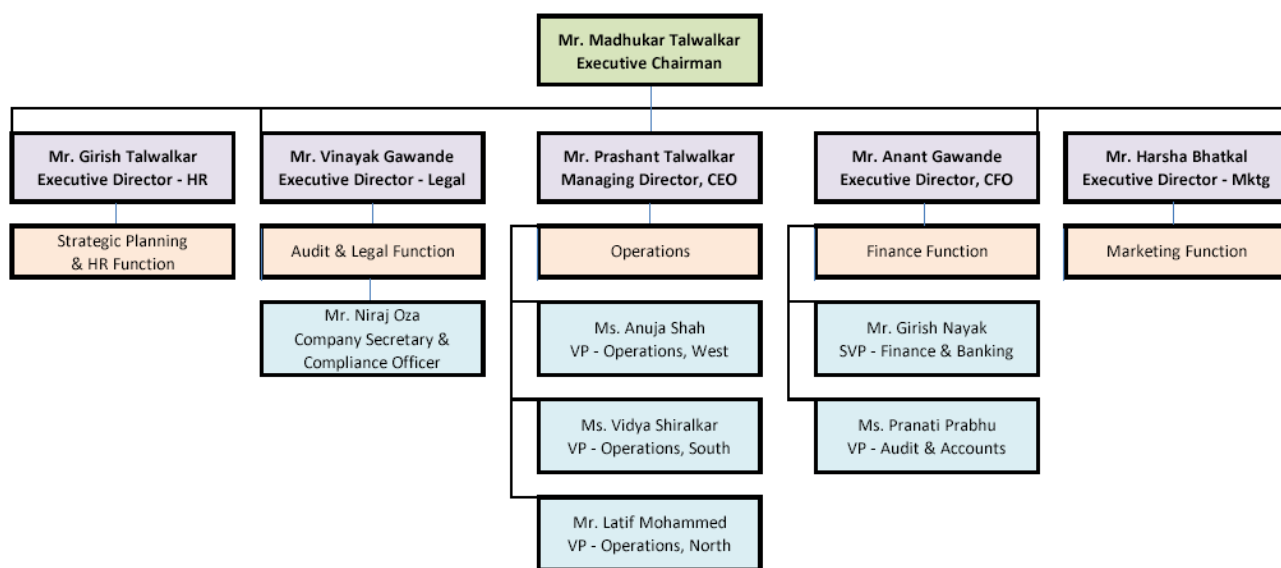
1. To review ongoing operations of the Company.
2. To carry out such business as has been delegated by the Board in so far as:

- To open new bank account(s) in the name of the Company or to close any existing bank account(s) as and when required and to authorise directors and / or executives to operate such bank account and with such limits as are approved by the Management Committee from time to time.
- To open domestic or international Letters of Credit (LC) from time to time, on behalf of the Company for its CAPEX or other requirements.
- To open or close any Fixed Deposit Account(s) with any of the banks or any other financial institutions.
- To discuss, negotiate and to give permission to enter into any franchise agreement with any of the existing Franchisee to start new gym(s) as a franchisee of the Company or cancel any existing franchise agreement with any of the existing franchisee for any reason; or to appoint as franchisee.
- To shortlist and enter into the Leave and License Agreement or Lease Agreement as the case may be for the proposed new Gyms as well as guest house for the Company or renew any expiring licenses / leases for the existing gyms or guest house.
- To appoint any authorised person and to give authority by execution of Special Power of Attorney on behalf of the Company to enter into and register with the registrar of Assurances the leave and license or lease agreement as the case may be for the execution of agreement for new gyms or guest house or for renewal of the existing agreement(s).
- To authorise or appoint any outside professional or consultant for and on behalf of the Company for such work as the Management Committee may deem fit and fix their remuneration.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchanges, NSE and BSE. Mr. Niraj Rohitkumar Oza, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Management Organization Structure of the Company



Our Key Managerial Personnel:

Our key managerial personnel other than our Whole-time Directors are as follows:

In addition to our whole-time Directors, the following are our key managerial employees. All of our key managerial employees are permanent employees of our Company. None of the above mentioned key managerial personnel are related to each other or are appointed pursuant to any arrangement or understanding with major shareholders, customers or suppliers. The details under this section are as on date of this Red Herring Prospectus.

Key Managerial Personnel of our Company

1. Mr. Girish Nayak, Senior Vice President (Finance and Banking), Aged : 40 Years

Mr. Girish Nayak, aged 39 years, is the Senior Vice President (Finance & Banking) of our Company. He is a member of Institute of Cost and Works Accountants of India since 1994 and has experience of 17 years in field of finance. He joined our Company in October 2009 as Vice-President Finance and Banking and has been working with our group since 1996. Prior to joining our company he was the Senior Vice President of Better Value Leasing and Finance Limited, and has worked with Nucleus Securities Limited. Currently he is responsible for the entire banking functions in the company. He handles projects right from checking out the feasibility of the locations to negotiating with the suppliers. He looks after the over all operations of our Company. Remuneration paid to Mr. Nayak is Rs. 0.17 million per month.

2. Ms. Pranati Prabhu, Vice President (Audit & Accounts), Aged : 37 Years

Ms. Pranati Prabhu, aged 37, is the Vice President (Audit and Accounts) of our Company. She is a fellow member of Institute of Chartered Accountants of India and holds a bachelors degree in commerce from Mumbai University. She has experience of 15 years in Accounts. She joined our Company in October 2009 as Vice President Audit and Accounts and has been working with our group since 1995. Prior to joining our company she worked as Vice President Audit and Accounts at Better Value Leasing and Finance Limited from the year 1995 to 2003. Currently she is in charge of the entire accounts team at the corporate office and branches. She has developed an efficient system of accounts operations and linkages to the corporate office. Her team is responsible for preparing MIS reports. She is also responsible for all tax payments such as service tax, TDS returns, FBT, IT etc. and ensuring all replies to the auditors. Remuneration paid to Ms. Prabhu is Rs. 0.09 million per month.

3. Mr. Niraj Rohitkumar Oza, Company Secretary and Compliance Officer, Aged : 39 Years

Mr. Niraj Rohitkumar Oza, aged 39, is the Company Secretary and Compliance Officer of our Company. He holds Bachelors degree in commerce from Mumbai University and is an associate member of Institute of Company Secretary and is currently pursuing LLB from the Bombay University and has experience of 14 years in finance, secretarial and legal. He joined our Company in June 2008 as Company Secretary. Prior to joining our company he worked as Deputy Manager Finance at Hexaware Technologies Limited November 2005 to May 2008, as Head – Accounts and Administration at E-PoS Systems (India) Private Limited from February 2005 to November 2005, as Senior Executive – Finance and Accounts at Ness Technologies (India) Limited from October 2002 to February 2005, Executive –Accounts and Finance and Assistant Company Secretary in Winet Software Services India Private Limited from September 2001 to September 2002, Management Trainee in Secretarial Department in Mahindra and Mahindra Limited from June 2000 to September 2002. Currently he is handling secretarial and legal work of our Company. Remuneration paid to Mr. Oza is Rs. 0.06 million per month.

4. Ms. Vidya Shiralkar, Vice President Operations - South , Aged : 46 Years

Ms. Vidya Shiralkar, aged 46 years, is the Vice President Operations - South of our Company. She holds Bachelors degree in Civil Engineering from Pune University and Diploma in Interior Designing and has experience of 21 years in field of operations and business development. She joined our Company in 2001 as Manager on retainer basis. In October 2009 she was employed as a permanent employee of the Company and was promoted to Vice-President Operations-south. Prior to joining our company she was the Managing Director of Indrayani Pipes Private Limited from 1996 to 1999. Currently she is incharge of setting up gyms and expansion of our Company's business in south zone. Remuneration paid to Ms. Shiralkar is Rs. 0.17 million per month.

5. Mr. Abdul Latif Mohammed, Vice President Operations - North, Aged : 35 Years

Mr. Abdul Latif Mohammed, aged 35 years, is the Vice President Operations - North of our Company at Vizag, Mangalore, Hyderabad and Secunderabad. He has pursued Course in Fitness Management and Exercise Techniques from L.M. Academy, Mumbai and Professional Course in Fitness Management from Talwalkars Fitness Academy, Mumbai and has experience of 15 years in gymnasium. He joined our Company in the year 2002 on retainer basis as Branch Manager and was promoted to Senior Manager in September 2006 and as Regional Manager in December 2006. In October 2009, he was employed as a permanent employee of the Company and was promoted to Vice President Operations – North. He is currently responsible for finalization of project sites, planning equipment and equipment layout for new branch, recruitment for new branch, training and supervising staff, implement the fees structure, plan annual targets and incentives for new and existing branch, plan the annual advertisement and marketing plan and budget of the new and existing branch, oversee the overall management of

the branch and monitor and meet budget commitments. Remuneration paid to Mr. Mohammed is Rs. 0.05 million per month.

6. Ms. Anuja Shah, Vice President Operations – West, Aged : 40 Years

Ms. Anuja Shah, aged 40 years, is the Vice President Operations – West of our Company. She holds Bachelors degree in Commerce from Pune University and masters degree in Physical Education from Shivaji University. She has also pursued Gym Management Certificate Programme L. F. A. (USA), Senior First Aid American Red Cross and St. John's Ambulance Certified, Health and fitness consultant, Qualified Personal Trainer from IHRSA and Master Practitioner of Neuro – Linguistic Programming. She has an experience of 16 years in field of health and fitness industry. She joined our Company in July 2003 on retainer basis as Manager at Andheri Branch and in 2007 she was promoted as Regional Head. In October 2009, she was employed as a permanent employee of our Company and was promoted to Vice President Operations – West. Prior to joining our company she worked as a Manager at Talwalkar Fitness Fellowship from July 1993 to May 2002. Currently she is incharge of Projects and Operation head for our branches in Gujarat and a Training Faculty. Remuneration paid to Ms. Shah is Rs. 0.06 million per month.

None of the Key Managerial Personnel are appointed pursuant to any arrangement or understanding with major shareholders, customers or suppliers. All key managerial personnel are permanent employees of our Company.

Further, the key managerial personnel as disclosed above are not key managerial personnel as defined under Accounting Standard 18.

Relation of Key Management Personnel and Directors

None of the Key Managerial Employees named above are related to the Board or any Committee.

Shareholding of our Key Managerial Personnel

None of the Key Managerial Employees named above hold any Equity Shares in the Company as on the date of this Red Herring Prospectus.

Bonus and/or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel save and except the bonus paid including under the Payment of Bonus Act to our key managerial personnel.

Except as stated otherwise in this Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

Changes in our Key Managerial Personnel during the past three years

Save and except as mentioned below, there had been no changes in Key Managerial Personnel of our Company that are not in the normal course of employment, during the last three (3) years:

Name and Designation	Date of Appointment	Date of Resignation	Reason
Mr. Niraj Rohitkumar Oza	June 06, 2008	-	Appointment
Mr. Girish Nayak	October 01, 2009	-	Appointment
Ms. Pranati Prabhu	October 01, 2009	-	Appointment
Ms. Vidya Shiralkar	October 01, 2009	-	Appointment
Mr. Abdul Latif Mohammed	October 01, 2009	-	Appointment
Ms. Anuja Shah	October 01, 2009	-	Appointment

Interest of Key Managerial Personnel

All our key managerial personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. Further, if any Equity Shares are allotted to our key managerial personnel in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same. Furthermore, no amount or benefit has been paid or given during the preceding year to any of our key managerial personnel.

Employees

We believe that a motivated and empowered employee base is integral to our competitive advantage. Our Company has 18 employees as on the date of this Red Herring Prospectus comprising of key managers responsible for our operations, finance and overall administration. Our core team of these managers is involved in identifying potential new locations and overall project management of the expansion projects. We conduct periodic reviews of our employee's job performance and determine salaries and discretionary bonuses based upon these reviews. In addition, we offer internal training programs tailored to different job requirements to enhance our employees' talents and skills.

Apart from salary and usual perquisites, and group benefits under the group gratuity scheme and the employee provident fund scheme no other benefits have been offered to the officers of the Company.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment of Benefits to Officers of our Company (non-salary related)

Except for the payment of salaries and perquisites/sitting fees, lease rent and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled "*Financial Statements*" and the chapter titled "*Our Business*" beginning on pages 145 and 58 of this Red Herring Prospectus, we have not paid /given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/give such benefit to any officer as on the date of this Red Herring Prospectus.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

OUR PROMOTERS AND THEIR BACKGROUND

Our Company has been promoted by the following six Promoters:

1. Mr. Madhukar Vishnu Talwalkar,
2. Mr. Prashant Sudhakar Talwalkar,
3. Mr. Vinayak Ratnakar Gawande,
4. Mr. Girish Madhukar Talwalkar,
5. Mr. Harsha Ramdas Bhatkal,
6. Mr. Anant Ratnakar Gawande

Details of our Promoters are given in the following table:

1. Mr. Madhukar Vishnu Talwalkar, Executive Chairman



Identification	Details
PAN	AAAPT8172A
Passport No.	E8369973
Driving Licence Number	Not Available
Bank Account Number	SBPUB/6851
% pre-issue share holding in the Issuer Company	15.68 %
DIN	00341613

Mr. Madhukar Vishnu Talwalkar, 76 years, is the Executive Chairman of our Company. He holds Bachelors degree in Textile Engineering from Veer Jijamata Technical Institute, Mumbai and has 50 years experience in health and fitness industry. He has been the Founder President of Greater Bombay Body Builders Association and is the current President of Maharashtra State Body Builders Federation. He has been driving force for our Company, guiding us for our expansion and positioning and has significantly contributed in our being leader in the industry of health and fitness.

For details pertaining to his directorships please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

2. Mr. Prashant Sudhakar Talwalkar, Managing Director and CEO



Identification	Details
PAN	AAAPT3528N
Passport No.	Z1589032
Driving Licence Number	Not Available
Bank Account Number	002610100013633
% pre-issue share holding in the Issuer Company	15.85%
DIN	00341715

Mr. Prashant Sudhakar Talwalkar, 47 years, is the Managing Director and CEO of our Company. He holds Bachelors degree in Science from University of Mumbai and has 25 years experience in marketing of health clubs. He has been spearheading the effort to evolve as efficient and currently he is the Managing Director of our Company. The health clubs / spas of Talwalkars Pantaloon Fitness Private Limited are pioneered and supervised by him. He has been a key person to expand the brand-name of our Company in events like the Pantaloons Femina Miss India 2009 and Standard Chartered Mumbai Marathon 2008 and 2009. He is also responsible for corporate tie ups and other promotional activities of our Company.

For details pertaining to his directorships, please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

3. Mr. Vinayak Ratnakar Gawande, Whole-time Director



Identification	Details
PAN	AABPG4476B
Passport No.	F1646105
Driving Licence Number	79C/20963
Bank Account Number	00601330006020
% pre-issue share holding in the Issuer Company	10.63%
DIN	00324591

Mr. Vinayak Ratnakar Gawande, 51 years, is the Whole-time Director of our Company. He holds Bachelors Degree in Commerce from Mumbai University and has 30 years experience in taxation, law and finance industry. He also manages a section of hospitality sector of the group, managing a 3 star hotel at Khandala. He is currently in charge of direct and indirect tax and legal matters of our Company.

For details pertaining to his directorships, please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

4. Mr. Girish Madhukar Talwalkar, Whole-time Director



Identification	Details
PAN	AAAPT8175H
Passport No.	E5329548
Driving Licence Number	Not Available
Bank Account Number	064010100226233
% pre-issue share holding in the Issuer Company	15.85%
DIN	00341675

Mr. Girish Madhukar Talwalkar, 48 years, is the Whole-time Director of our Company. He holds Masters Degree in Physiotherapy from Mumbai University and has 20 years experience in handling the task of setting up and running health clubs. His expertise in project management and execution has helped the growth of our Company. He is responsible for strategic planning, corporate tie ups and human resource (HR) function of our Company and other promotional activities.

For details pertaining to his directorships, please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

3. Mr. Harsha Ramdas Bhatkal, Whole-time Director



Identification	Details
PAN	AACPB3100C
Passport No.	Z1785221
Driving Licence Number	Not Available
Bank Account Number	004010100146791
% pre-issue share holding in the Issuer Company	10.63%
DIN	00283946

Mr. Harsha Ramdas Bhatkal, 47 years, is the Whole-time Director of our Company. He holds a Bachelors Degree in Commerce and a Masters Degree in Business Administration from Jamnalal Bajaj Institute of Management Studies, Mumbai and has 25 years experience in publishing and marketing industry. Following,

this he worked as a business journalist for Update magazine and then joined his family owned Popular Prakashan Private Limited as sales manager. He took over Value Added News Service a fledgling business database service and went on to create Vans Information on of the pioneers in the electronic information services in India. He has won several awards, including the Paul Hamlyn scholarship for young Indian publishers as also the Award for excellence in publishing given by the Federation of Indian Publishers to young Indian publishers as the Executive Director – Marketing, he is responsible for brand strategy and overall marketing of the brand of our Company.

For details pertaining to his directorships, please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

4. Mr. Anant Ratnakar Gawande, Whole-time Director and CFO



Identification	Details
PAN	AABPG3008P
Passport No.	F8658986
Driving Licence Number	MH 01 2009 0030930
Bank Account Number	00601160001456
% pre-issue share holding in the Issuer Company	10.63%
DIN	00324734

Mr. Anant Ratnakar Gawande, 42 years, is the Whole-time Director and CFO of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1989 and has 20 years experience in the finance industry with specialization in leasing and hire purchase finance, investment banking, portfolio advisory services and general banking service. He has promoted Anfin Investments Private Limited and has been associated in the past with Better Value Leasing and Finance Limited, Vans Information Limited, Brainworks Learning Systems Private Limited and Popular Institute of Art Private Limited. As Whole-time Director and CFO of our Company he is actively in charge of the entire finance operations including budgets and controls of our Company.

For details pertaining to his directorships, please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

Declaration

We confirm that the personal details of our Promoters viz., Permanent Account Number, Passport Numbers and Bank account number of our Promoters will be submitted to BSE and NSE on which our securities are proposed to be listed, at the time of filing this Red Herring Prospectus with such Stock Exchanges.

We further confirm that, our Promoter has not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past nor any such proceedings are pending against our Promoter.

Relationship of Promoters with each other and with our Directors

Sr. No.	Name	Status	Relationship
1.	Mr. Madhukar Vishnu Talwalkar	Executive Chairman	Father of Mr. Girish Madhukar Talwalkar and Uncle of Mr. Prashant Sudhakar Talwalkar
2.	Mr. Prashant Sudhakar Talwalkar	Managing Director & CEO	Nephew of Mr. Madhukar Vishnu Talwalkar and cousin of Mr. Girish Madhukar Talwalkar
3.	Mr. Vinayak Ratnakar Gawande	Whole-time Director	Brother of Mr. Anant Ratnakar Gawande
4.	Mr. Girish Madhukar Talwalkar	Whole-time Director	Son of Mr. Madhukar Vishnu Talwalkar and cousin of Mr. Prashant Sudhakar Talwalkar
5.	Mr. Anant Ratnakar Gawande	Whole-time Director and CFO	Brother of Mr. Vinayak Ratnakar Gawande

Common Pursuits

There are 11 gyms operating under our registered brand ‘Talwalkars’ which are owned and operated by our group companies. Of these 7 gyms are held by three of our Promoter-Directors Madhukar Vishnu Talwalkar, Mr. Girish Madhukar Talwalkar and Mr. Prashant Sudhakar Talwalkar through their proprietary undertaking i.e. Talwalkars Health Club and partnership firms viz., Talwalkars Health Complex, Talwalkars, Talwalkars Fitness Club and Talwalkars Health & Leisure. The other 4 gyms are held by Life Fitness India Private Limited, in which Mr. Madhukar Vishnu Talwalkar jointly with his wife holds 50% of its outstanding equity share capital as on the date of this Red Herring Prospectus.

The operations of these gyms conflicts with the operations of our business. Our promoters are, thus, further interested in our company to that extent. However, as agreed with our Company, except for these 11 operating gyms, the business of all gymnasia and health/fitness centres, in which promoters have a direct or indirect business involvement is to be carried out by the promoters exclusively through us.

These 11 gyms, 5 in Mumbai, 4 in Pune and 2 in Thane, collectively accounted revenues of Rs.150.69 Mn for the fiscal 2009, Rs.142.42 Mn for the fiscal 2008 and Rs.131.20 Mn for the fiscal 2007. The details of these entities including financial performance are given under the Chapter “Our Promoter Group and Group Companies.

Prior to our incorporation, the Talwalkar Group actually held 14 gyms and pursuant to the Shareholder’s Agreement dated July 1, 2003, entered between the Talwalkar Group and the Gawande Group for our formation, it was decided that, barring the gyms owned by the Talwalkar Group, the Talwalkar Group cannot directly or indirectly have interest in or be connected with any entity engaged in the business of Health Club outside our Company. Thus, all expansion since our incorporation, has taken place within the Company growing itself to 58 gyms as on the date of this Red Herring Prospectus and the 14 gyms owned by the Talwalkar Group came down to 11 by way of acquiring 3 of these gyms and bringing it under the Company’s control. Besides, as part of the consolidation strategy, we entered in to a MoU with Life Fitness Pvt. Ltd (which holds 4 gyms out of 11) to set up 4 additional gyms in Pune and we also obtained the right to acquire these existing 4 gyms on March 31, 2013. Though we do not have any legal right over the remaining 7 gyms, we may consider acquiring them at a reasonable price if they are offered to us at the valuation which is commercially feasible and viable.

We acquired the right to use and register the brand name “Talwalkars” from the Talwalkar Group and got both the tradename and trademark registered in our name. We also entered into Trademark License Agreements, details of which are given under the chapter titled “Our Business” on page 58 of this Red Herring Prospectus, to provide the usage of the brand name “Talwalkars” by these 11 gyms by sharing the relevant marketing, promotion and advertisement expenses with us. Any advertising / marketing / brand building by us takes place in three levels viz. national level, city level and locally. The national level expenses are borne by all of our gyms as well as these 11 gyms equally. We also carry out media campaign through city centric advertising which are distributed amongst the gyms operating in that city. Besides, the gyms advertise locally through local hoardings and inserts, the costs of which are absorbed by the local gym themselves. As per the terms of these agreements there is no time period binding on the parties to these agreements. Further, these agreements may be terminated on occurrence of "Bankruptcy" with respect to Licensee, his failure to perform in accordance with any of the material terms and condition and / or his breach of any material representation or warranty made in these agreements.

Our ‘Selling & Marketing Cost’ item appearing in the “Statement of Profit & Loss Account, as Restated” as Annexure II of Financial Statements on page 145 of the RHP reflects the cost towards these expenditures borne by us after recovering these costs attributable to these 11 gyms. These costs borne by 11 gyms for the period ending December 31, 2009 and for the financial years ending March 31, 2009 and 2008 were Rs.1.58 Mn, Rs.3 Mn and Rs.3.82 Mn respectively.

Besides there are entities namely a proprietary concern, Talwalkars Nutrition Centre and a partnership firm Fitness India Investments, owned by our Promoters, which may have business conflicting with ours. Further, there are entities namely Talwalkars Omnifitness Private Limited and partnership concerns i.e. M/s. Club Business Systems and Talwalkars Health Commune which pursuant to our acquiring their businesses still exist with an object conflicting with ours.

Interest of Promoters in our Company

Our Company is promoted by Mr. Madhukar Vishnu Talwalkar, Mr. Prashant Sudhakar Talwalkar, Mr. Anant Ratnakar Gawande, Mr. Girish Madhukar Talwalkar, Mr. Vinayak Ratnakar Gawande, and Mr. Harsha Ramdas Bhatkal. Our Promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them and also to the extent of shares held by their relatives. Our Promoters may also benefit from holding directorship in our

Company. As on the date of this Red Herring Prospectus our Promoters together hold 79.41% Equity Shares of our Company.

Apart from as stated above in the paragraph titled “Common Pursuits”, our Promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them and also to the extent of shares held by their relatives. Our Promoters may also benefit from holding directorship in our Company.

Further, as agreed with our Company, 80% of the franchise fee of Equinox Wellness Private Limited, in which Denovo Enterprises Private Limited, one of our joint venture companies, is holding 66.66% of the outstanding equity share capital as on the date of this Red Herring Prospectus, is remitted by our Company to Talwalkars Omnifitness Private Limited, the 100% equity of which is held by Mr. Madhukar Vishnu Talwalkar, our Promoter Executive Chairman and Mr. Girish Madhukar Talwalkar, our Promoter Director along with their spouses. Further, it is also agreed that our Company will remit 100% of the franchisee fee of our franchised health club operating in Vashi and 80% of the franchisee fee of two of our franchised health clubs operating in Nagpur to this company. Mr. Madhukar Vishnu Talwalkar also holds approx.17.5% in the equity of Pinnacle Fitness Private Limited, one of our franchisee operating two health clubs in NCR, through the shareholding of Life Fitness India Private Limited. Besides, Mr. Madhukar Vishnu Talwalkar is one of the directors in the Board of Pinnacle Fitness Private Limited and Life Fitness India Private Limited.

Further, save and except as stated otherwise under the paragraph titled “*Shareholding of our Directors*” in the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus; in the chapter titled “*Related Party Transactions*” beginning on page 143 of this Red Herring Prospectus; under the *Annexure VII* in the chapter titled “*Financial Statements*” beginning on page 145 of this Red Herring Prospectus, and under the paragraph titled “*Interest of Directors*” in the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus, paragraph titled “*Our Properties*” in the chapter titled “*Our Business*” beginning on page 58 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

Payment or Benefit to our Promoters during the last two years

No payment has been made or benefit given to our Promoters in the two years preceding the date of this Red Herring Prospectus save and except as mentioned/referred to in this chapter and in the chapter titled “*Our Management*” and in the section titled “*Financial Statements*” beginning on pages 89 and 145 respectively, of this Red Herring Prospectus.

There is no bonus or profit sharing plan for our Promoters.

Other Ventures of Promoters

Save and except as disclosed in the chapter titled “*Our Promoter Group and Group Companies*” beginning on page 111 of this Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests /other interests.

Interest in the property of Company

The Promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company, save and except as stated in paragraph titled “*Our Properties*” under chapter “*Our Business*” beginning on page 58 of this Red Herring Prospectus.

Related Party Transactions

For details on our related party transactions please refer to the paragraph titled “*Our Properties*” beginning on page 68 in chapter titled “*Our Business*” beginning on page 58, paragraph titled “*Interest of Directors*” under the chapter titled “*Our Management*” and paragraph titled “*Interest of Promoters in our Company*” under the chapter titled “*Our Promoters and their Background*” beginning on pages 89 and 106 respectively and in the *Annexure VII* under the chapter titled “*Financial Statements*” beginning on page 145 of this Red Herring Prospectus.

OUR PROMOTER GROUP AND GROUP COMPANIES

Our Promoter Group as defined under Regulations 2 (zb) of the SEBI (ICDR) Regulations, 2009, includes following individuals:

Promoter's	Mr. Madhukar Vishnu Talwalkar	Mr. Girish Madhukar Talwalkar	Mr. Prashant Sudhakar Talwalkar
Spouse	Ms. Usha Madhukar Talwalkar	Ms. Nanda Girish Talwalkar	Ms. Nalina Ann Talwalkar
Mother	Ms. Malati Vishnu Talwalkar	Ms. Usha Madhukar Talwalkar	Ms. Nisha Sudhakar Talwalkar
Father	Late Mr. Vishnu Ramkrishna Talwalkar	Mr. Madhukar Vishnu Talwalkar	Mr. Sudhakar Vishnu Talwalkar
Brother	<ul style="list-style-type: none"> Mr. Sudhakar Vishnu Talwalkar Mr. Bhaskar Vishnu Talwalkar Late Mr. Avinash Vishnu Talwalkar 	-	Ms. Shashank Talwalkar
Sister	<ul style="list-style-type: none"> Ms. Sindu Bhure Ms. Sunanda Panshikar 	<ul style="list-style-type: none"> Ms. Geeta Aamod Wagh Ms. Seeta Atul Sawhney 	-
Daughter	<ul style="list-style-type: none"> Ms. Geeta Aamod Wagh Ms. Seeta Atul Sawhney 	-	-
Son	Mr. Girish Madhukar Talwalkar	<ul style="list-style-type: none"> Mr. Tejas Talwalkar Mr. Varun Talwalkar 	<ul style="list-style-type: none"> Mr. Rohan Talwalkar Mr. Rishabh Talwalkar

Promoter's	Ms. Usha Madhukar Talwalkar	Ms. Nanda Girish Talwalkar	Ms. Nalina Ann Talwalkar
Spouse	Ms. Usha Madhukar Talwalkar	Ms. Nanda Girish Talwalkar	Ms. Nalina Ann Talwalkar
Mother	Ms. Kusum Bhagwan Dixit	Ms. Kunda Pansare	Ms. Verunica Makhija
Father	Mr. Bhagwan Dattatray Dixit	Mr. Bhalchandra Pansare	Mr. Shrichand Makhija
Brother	Mr. Shrikrishna Dixit	Mr. Hemant Pansare	-
Sister	-	Ms. Binda Shirali	Ms. Natalie Morgan
Daughter	<ul style="list-style-type: none"> Ms. Geeta Wagh Ms. Seeta Sawhney 	-	-
Son	Mr. Girish Madhukar Talwalkar	<ul style="list-style-type: none"> Mr. Tejas Talwalkar Mr. Varun Talwalkar 	<ul style="list-style-type: none"> Mr. Rohan Talwalkar Mr. Rishabh Talwalkar

Promoters	Mr. Vinayak Ratnakar Gawande	Mr. Anant Ratnakar Gawande	Mr. Harsha Ramdas Bhatkal
Spouse	Ms. Madhuri Vinayak Gawande	Ms. Yamini Gawande	Ms. Smeeta Bhatkal
Mother	Ms. Vasudha Gawande	Ms. Vasudha Gawande	Ms. Laila Bhatkal
Father	Mr. Ratnakar Gawande	Mr. Ratnakar Gawande	Mr. Ramdas Bhatkal
Brother	<ul style="list-style-type: none"> Mr. Nitin Gawande Mr. Anant Gawande 	<ul style="list-style-type: none"> Mr. Vinayak Gawande Mr. Nitin Gawande 	Mr. Satyajit Bhatkal
Sister	Ms. Sulochana Gawande	Ms. Sulochana Gawande	-
Daughter	Ms. Ketki Gawande	Ms. Renuka Gawande	<ul style="list-style-type: none"> Ms. Tanvi Bhatkal Ms. Mitalee Bhatkal
Son	Mr. Kunal Gawande	Mr. Anay Gawande	-

Promoter's Spouse	Ms. Madhuri Vinayak Gawande	Ms. Yamini Anant Gawande	Ms. Smeeta Harsha Bhatkal
Mother	Ms. Sharmila Torgal	Ms. Late Smt. Ghate	Late Ms. Asha Kalyanpur
Father	Mr. Narayan Torgal	Mr. Vithal Ghate	Mr. Krishnanad Kalyanpur
Brother	-	-	Mr. Bharat Kalyanpur
Sister	Ms. Poonam Manerikar	<ul style="list-style-type: none"> Ms. Gauri Kulkarni Ms. Mukta Farooq 	<ul style="list-style-type: none"> Ms. Reshma Chadha Ms. Indira Kalyanpur
Daughter	Ms. Ketki Gawande	Ms. Renuka Gawande	<ul style="list-style-type: none"> Ms. Tanvi Harsha Bhatkal Ms. Mitalee Bhatkal
Son	Mr. Kunal Gawande	Mr. Anay Gawande	-

Our Promoter Group as defined under Regulations 2 (zb) of the SEBI (ICDR) Regulations, 2009, includes following entities:

Mr. Madhukar Vishnu Talwalkar	Mr. Girish Madhukar Talwalkar	Mr. Prashant Sudhakar Talwalkar
Talwalkars Omnifitness Private Limited.	Talwalkars Omnifitness Private Limited.	R2 Infrastructure Private Limited
Life Fitness India Private Limited.	M/s. Talwalkars Fitness Club	M/s. Talwalkars
Pinnacle Fitness Private Limited	M/s. Talwalkars Health Complex	M/s. Talwalkars Health Commune
M/s. Talwalkars Fitness Club	M/s. Talwalkars Health & Leisure	M/s. Talwalkars Health & Leisure
M/s. Talwalkars Health Complex	M/s. Talwalkars Health Club	M/s. Talwalkars Nutrition Centre
M/s. Fitness India Investments	M/s Talwalkars Fitness Products	M/s. Talwalkars Spa Systems
M/s. Club Business Systems	-	-
M/s. Talwalkars Fitness Enterprise	-	-

Madhukar Talwalkar (HUF)	-	-
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Immediate relatives of Mr. Madhukar Vishnu Talwalkar	Entities
Ms. Usha Madhukar Talwalkar	<ul style="list-style-type: none"> Talwalkars Omnifitness Private Limited Life Fitness India Private Limited M/s. Fitness India Investments M/s. Talwalkars Fitness Club
Ms. Malati Vishnu Talwalkar	NIL
Mr. Vishnu Ramkrishna Talwalkar	NIL
Mr. Sudhakar Vishnu Talwalkar	<ul style="list-style-type: none"> M/s. Talwalkars M/s. Talwalkars Health Commune
Mr. Bhaskar Vishnu Talwalkar	NIL
Late Mr. Avinash Vishnu Talwalkar	NA
Ms. Sindu Bhure	NIL
Ms. Sunanda Panshikar	NIL
Ms. Geeta Aamod Wagh	M/s. Talwalkars Fitness Club
Ms. Seeta Atul Sawhney	<ul style="list-style-type: none"> M/s. Talwalkars Fitness Club M/s. Club Business Systems M/s Talwalkars Fitness Products
Mr. Girish Madhukar Talwalkar	<ul style="list-style-type: none"> M/s. Talwalkars Fitness Club Talwalkars Omnifitness Private Limited M/s. Talwalkars Health & Leisure M/s. Talwalkars Health Complex M/s. Talwalkars Health Club
Ms. Kusum Bhagwan Dixit	NIL
Mr. Bhagwan Dattatray Dixit	NIL
Mr. Shrikrishna Bhagwan Dixit	NIL

Immediate relatives of Mr. Girish Madhukar Talwalkar	Entities
Ms. Nanda Girish Talwalkar	<ul style="list-style-type: none"> Talwalkars Omnifitness Private Limited M/s. Talwalkars Fitness Club
Ms. Usha Madhukar Talwalkar	<ul style="list-style-type: none"> Talwalkars Omnifitness Private Limited Life Fitness India Private Limited M/s. Fitness India Investments M/s. Talwalkars Fitness Club
Mr. Madhukar Vishnu Talwalkar	<ul style="list-style-type: none"> Talwalkars Omnifitness Private Limited Life Fitness India Private Limited Pinnacle Fitness Private Limited M/s. Talwalkars Fitness Enterprise

	<ul style="list-style-type: none"> • M/s. Club Business Systems • M/s. Fitness India Investments • M/s. Talwalkars Health Complex • M/s. Talwalkars Fitness Club • Madhukar Talwalkar (HUF)
Ms. Geeta Aamod Wagh	M/s. Talwalkars Fitness Club
Ms. Seeta Atul Sawhney	<ul style="list-style-type: none"> • M/s. Talwalkars Fitness Club • M/s. Club Business Systems • M/s Talwalkars Fitness Products
Mr. Tejas Talwalkar	NIL
Mr. Varun Talwalkar	NIL
Ms. Kunda Pansare	NIL
Mr. Bhalchandra Pansare	NIL
Mr. Hemant Pansare	M/s. Castle Hospitality Services
Ms. Binda Shirali	NIL

Immediate relatives of Mr. Prashant Sudhakar Talwalkar	Entities
Ms. Nalina Ann Talwalkar	R2 Infrastructure Private Limited
Ms. Nisha Sudhakar Talwalkar	M/s. Talwalkars M/s. Talwalkars Health Commune
Mr. Sudhakar Vishnu Talwalkar	M/s. Talwalkars M/s. Talwalkars Health Commune
Mr. Shashank Talwalkar	NIL
Mr. Rohan Talwalkar	R2 Infrastructure Private Limited M/s. R2 Spa Systems
Mr. Rishabh Talwalkar	NIL
Ms. Verunica Makhija	NIL
Mr. Shrichand Makhija	NIL
Ms. Natalie Morgan	NIL

Mr. Vinayak Ratnakar Gawande	Mr. Anant Ratnakar Gawande	Mr. Harsha Ramdas Bhatkal
Gawande Consultants Private Limited	Gawande Consultants Private Limited.	Popular Prakashan Private Limited.
Better Value Brands Private Limited.	Better Value Brands Private Limited.	Better Value Brands Private Limited.
Better Value Leasing & Finance Limited.	Vakratunda Land Developers Private Limited.	Vakratund Land Developers Private Limited
Radhika Hotels Private Limited	Better Value Leasing & Finance Private Limited.	Popular Educational Enterprises Private Limited.
Better Value Properties Private	Better Value Properties Private	Better Value Properties Private

Limited.	Limited.	Limited.
Popular Institute of Arts Private Limited	Popular Institute of Arts Private Limited.	Popular Institute of Arts Private Limited.
Brainworks Learning Systems Private Limited	Brainworks Learning Systems Private Limited	Brainworks Learning Systems Private Limited.
		Indian Cookery.Com Private Limited
M/s. Vrindavan	M/s. Vrindavan	M/s. Vrindavan
Vinayak Gawande (HUF)	Anant Gawande (HUF)	M/s. Bhatkal Book International
Ratnakar Krishnaji Gawande (HUF)	Vrindavan Restaurant Private Limited	M/s. Popular Book Depot Printing Division
		M/s. Bhatkal & Sen

Immediate Relatives of Mr. Vinayak Ratnakar Gawande	Entities
Ms. Madhuri Gawande	<ul style="list-style-type: none"> Vakratund Land Developers Private Limited Radhika Hotels Private Limited
Ms. Vasudha Gawande	NIL
Mr. Ratnakar Gawande	NIL
Mr. Nitin Gawande	<ul style="list-style-type: none"> Gawande Consultants Private Limited M/s. Vrindavan
Mr. Anant Gawande	<ul style="list-style-type: none"> Gawande Consultants Private Limited Better Value Brands Private Limited Vakratund Land Developers Private Limited M/s. Vrindavan
Ms. Sulochana Gawande	NIL
Ms. Ketki Gawande	Radhika Hotels Private Limited
Mr. Kunal Gawande	NIL
Ms. Sharmila Torgal	NIL
Mr. Narayan Torgal	NIL
Ms. Poonam Manerikar	NIL

Immediate Relatives Mr. Anant Ratnakar Gawande	Entities
Ms. Yamini Gawande	M/s. Gawande & Associates
Ms. Vasudha Gawande	NIL
Mr. Ratnakar Gawande	NA
Mr. Vinayak Gawande	<ul style="list-style-type: none"> Gawande Consultants Private Limited Better Value Brands Private Limited M/s. Vrindavan
Mr. Nitin Gawande	<ul style="list-style-type: none"> Gawande Consultants Private Limited M/s. Vrindavan

Ms. Sulochana Gawande	NIL
Ms. Renuka Gawande	NIL
Mr. Anay Gawande	NIL
Ms. Late Smt. Vidya Ghate	NIL
Mr. Vithal Balwant Ghate	NIL
Ms. Gauri Kulkarni	NIL
Ms. Mukta Farooq	NIL

Immediate relatives of Mr. Harsha Ramdas Bhatkal	Entities
Ms. Smeeta Harsha Bhatkal	NIL
Ms. Laila Ramdas Bhatkal	M/s. Bhatkal Book International M/s. Popular Book Depot Printing Division
Mr. Ramdas Ganesh Bhatkal	M/s. Bhatkal Book International M/s. Popular Book Depot Printing Division
Mr. Satyajit Bhatkal	NIL
Ms. Tanvi Harsha Bhatkal	NIL
Ms. Mitalee Harsha Bhatkal	NIL
Late Ms. Asha Krishnanad Kalyanpur	NIL
Mr. Krishnanad Kalyanpur	NIL
Mr. Bharat Krishnanad Kalyanpur	NIL
Ms. Reshma Chadha	Momentum Statutory Consultant Private Limited.
Ms. Indira Kalyanpur	NIL

Our Company has 34 Group Companies, namely:

Companies:

1. Life Fitness India Private Limited (“LFIPL”);
2. Pinnacle Fitness Private Limited (“PFPL”);
3. Talwalkars Omnifitness Private Limited (“TOFPL”);
4. R2 Infrastructure Private Limited (“RIPL”);
5. Better Value Leasing & Finance Limited (“BVLFL”);
6. Gawande Consultants Private Limited (“GCPL”);
7. Anfin Investments Private Limited (“AIPL”);
8. Better Value Restaurants Private Limited (“BVRPL”);
9. Better Value Properties Private Limited (“BVPPL”);
10. Vrindavan Restaurant Private Limited (“VRPL”);
11. Brainworks Learning Systems Private Limited (“BLSPL”);
12. Radhika Hotels Private Limited (“RHPL”);
13. Vakratund Land Developers Private Limited (“VLDPL”);
14. Better Value Brands Private Limited (“BVBPL”);
15. Popular Institute of Art Private Limited (“PIAPL”);

16. Popular Prakashan Private Limited (“PPPL”)
17. Indian Cookery.Com Private Limited (“ICPL”) and
18. Popular Educational Enterprise Private Limited (“PEEPL”)

Partnership Firms:

1. M/s. Talwalkars
2. M/s. Talwalkars Fitness Club
3. M/s. Talwalkars Health Complex
4. M/s. Fitness India Investments
5. M/s. Club Business Systems
6. M/s. Talwalkars Health & Leisure
7. M/s. Talwalkars Health Commune
8. M/s. Vrindavan
9. M/s. Bhatkal Book International
10. M/s. Popular Book Depot Printing Division
11. M/s. Bhatkal & Sen
12. M/s. Talwalkars Fitness Products

Proprietary Concerns

1. M/s. Talwalkars Spa Systems
2. M/s. Talwalkars Health Club
3. M/s. Talwalkars Nutrition Centre
4. M/s. Talwalkars Fitness Enterprises

1. LIFE FITNESS INDIA PRIVATE LIMITED (“LFIPL”)

Corporate structure:

LFIPL was incorporated on December 6, 1989 as a private limited company with the Registrar of Companies, Maharashtra, at Mumbai as “Life Fitness India Private Limited”. The registered office of LFIPL is situated at 7A, Ameya, Kashinath Dhuru Road, Dadar, Mumbai 400 028. The CIN of LFIPL is U92411MH1989PTC054531.

LFIPL is engaged, *inter alia*, in the business of running fitness clubs.

Board of Directors:

The Board of Directors of LFIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Madhukar Vishnu Talwalkar	Director
2.	Ms. Asha Sherlekar	Director
3.	Ms. Usha Madhukar Talwalkar	Director
4.	Mr. Virendra Sherlekar	Director

Shareholding Pattern:

The shareholding pattern of LFIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Madhukar Vishnu Talwalkar	25,325	25.00
2.	Mr. Virendra Sherlekar	25,325	25.00
3.	Ms. Usha Madhukar Talwalkar	25,324	25.00
4.	Ms. Asha Sherlekar	25,324	24.99
5.	Others*	19	0.01
	Total	1,01,317	100.00

* Ms. Pratibha Bhavsar, Mr. Atul Boralkar, Ms. Jayshree Boralkar, Ms. Manisha Deshpande, Ms. Manjiri Diwanji, Ms. Puspa Kale, Mr. Bharat Kothadiya, Ms. Swati Nemade, Mr. Anil Patil, Ms. Jyoti Patil, Ms. Meena Patil, Mr. Suhas Patil, Mr. Vimal Patil, Ms. Anjali Rao, Ms. Jayashree Shinde, Ms. Medha Thakur, Ms. Pradyumna Vaidya, Mr. Prakash Vaidya and Ms. Rajashree Verma hold one share each.

Financial Performance:

The audited financial accounts of LFIPL for the last three (3) years are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs.100/- each)	10.13	10.13	10.13
Reserves and Surplus (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	54.60	45.25	41.32
Profit/(Loss) after Tax	(0.14)	(1.18)	(2.63)
Earnings per share (in Rs.)	(1.43)	(11.68)	(25.97)
Profit and Loss Account (debit balance)	7.09	6.93	5.75
Miscellaneous Expenditure (to the extent written off)	Nil	Nil	0.0006
Net Worth	3.04	3.20	4.38
Net asset value per share	29.97	31.57	43.24

LFIPL is not listed and has not made any public issue of its shares in the preceding three (3) years, Further, no actions has been taken against LFIPL by any Stock Exchanges or SEBI. LFIPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

2. PINNACLE FITNESS PRIVATE LIMITED (“PFPL”)

Corporate structure:

PFPL was incorporated on February 22, 2005 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai as “Pinnacle Fitness Private Limited”. The registered office of PFPL is situated at 7A, Ameya, Kashinath Dhuru Road, Dadar – Mumbai – 400028. The CIN of PFPL is U85199MH2005PTC151495.

PFPL is engaged, *inter alia*, in the business of running fitness clubs.

Board of Directors:

The Board of Directors of PFPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Madhukar Vishnu Talwalkar	Director
2.	Mr. Virendra Sharad Sherlekar	Director
3.	Mr. Kedar Virendra Sherlekar	Director
4.	Ms. Asha Virendra Sherlekar	Director

Shareholding Pattern:

The shareholding pattern of PFPL as on date of this Red Herring Prospectus is as follows:

Equity Shares:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Kedar Virendra Sherlekar	9,600	48.00

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
2.	Life Fitness India Private Limited.	7,000	35.00
3.	Ms. Pooja Virendra Sherlekar	3,400	17.00
	Total	20,000	100.00

Redeemable Preference Shares:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Kedar Sherlekar	5900	40.56
2.	Life Fitness India Private Limited	3000	20.62
3.	Mr. Virendra Sherlekar	2794	19.21
4.	Ms. Pooja Sherlekar	1600	10.99
5.	Ms. Asha Sherlekar	1250	8.60
6.	Mr. Prakash Vaidya	1	0.01
7.	Ms. Suman Rajhans	1	0.00
8.	Ms. Jayashree Shinde	1	0.01
	Total	14,547	100.00

Financial Performance:

The audited financial accounts of PFPL for the last three (3) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100/ each)	2.00	2.00	2.00
Reserves and Surplus (Excluding Revaluation Reserve)	(0.50)	(3.51)	(7.76)
Total Income	39.37	34.07	27.25
Profit/(Loss) after Tax	3.00	4.25	0.22
Earnings per share (in Rs.)	150.15	212.52	11.12
Profit and Loss Account (debit balance)	Nil	Nil	Nil
Miscellaneous Expenditure (to the extent not written off)	0.01	0.02	0.03
Net Worth	1.49	(1.52)	(5.78)
Net asset value per share (in Rs.)	74.38	(76.19)	(289.14)

PFPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against PFPL by any Stock Exchanges or SEBI. PFPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

3. TALWALKARS OMNIFITNESS PRIVATE LIMITED (“TOFPL”)

Corporate structure:

TOFPL was incorporated on August 19, 1996 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Talwalkars Omnifitness Private Limited”. The registered office of TOFPL is situated at D/22, Juhu Park Apartment, Opposite Iskon, Juhu, Mumbai – 400 049, Maharashtra, India. The CIN of TOFPL is U85100MH1996PTC101955.

TOFPL is engaged, *inter alia*, in the business to set up retail stores of fitness, wellness products and services, health clubs, spas and to render all kind of health care services.

Board of Directors:

The Board of Directors of TOFPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Madhukar Vishnu Talwalkar	Director
2.	Ms. Usha Madhukar Talwalkar	Director
3.	Mr. Girish Madhukar Talwalkar	Director
4.	Ms. Nanda Girish Talwalkar	Director

Shareholding Pattern:

The shareholding pattern of TOFPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Girish Madhukar Talwalkar	62,200	53.34
2.	Ms. Nanda Girish Talwalkar	25,900	22.21
3.	Mr. Madhukar Vishnu Talwalkar	14,250	12.22
4.	Ms. Usha Madhukar Talwalkar	14,250	12.22
	Total	116,600	100.00

Financial Performance:

The audited financial accounts of TOFPL for the last three (3) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100 each)	11.66	11.66	11.66
Reserves and Surplus (Excluding Revaluation Reserve)	11.91	11.91	11.91
Total Income	NIL	0.55	0.06
Profit/(Loss) after Tax	(0.90)	0.34	(0.006)
Earnings per share (in Rs.)	(7.68)	2.90	(0.05)
Profit and Loss Account (Debit balance)	2.11	1.22	1.56
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil	Nil
Net worth*	21.46	22.36	22.02
Net asset value per share (in Rs. 100)	184.04	191.73	188.83

* Excluding share application money

TOFPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against TOFPL by any Stock Exchanges or SEBI. TOFPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

4. R2 INFRASTRUCTURE PRIVATE LIMITED (“RIPL”)

Corporate structure:

RIPL was incorporated on October 13, 2008 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “R2 Infrastructure Private Limited”. The registered office of RIPL is situated at 1st Floor, Gohil House, L.J.Road, Mahim, Mumbai 400 016, Maharashtra, India. The CIN of RIPL is U45203MH2008PTC187461.

RIPL is engaged, *inter alia*, in the business of development of infrastructure.

Board of Directors:

The Board of Directors of RIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Prashant Sudhakar Talwalkar	Director
2.	Mr. Rohan Prashant Talwalkar	Director
3.	Ms. Nalina Ann Talwalkar	Director

Shareholding Pattern:

The shareholding pattern of RIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Prashant Sudhakar Talwalkar	5,000	50.00

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
2.	Ms. Nalina Ann Talwalkar	2,500	25.00
3.	Mr. Rohan Talwalkar	2,500	25.00
	Total	10,000	100.00

Financial Performance:

The first audited financial accounts of RIPL are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009
Equity Share Capital (par value Rs.10/- each)	0.10
Reserves and Surplus (Excluding Revaluation Reserve)	Nil
Total Income	Nil
Profit/(Loss) after Tax	(0.003)
Earnings per Share (in Rs.)	0.03
Profit and Loss Account (Debit Balance)	0.003
Miscellaneous Expenditure (to the extent not written off)	0.03
Net Worth	0.07
Net asset value per share	6.67

RIPL is not listed and has not made any public issue of its shares since its incorporation. Further, no action has been taken against RIPL by any Stock Exchanges or SEBI. RIPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

5. BETTER VALUE LEASING AND FINANCE LIMITED (“BVLFL”)

Corporate structure:

BVLFL was incorporated on July 5, 1983 as “Better Value Leasing and Finance Private Limited” and registered with the Registrar of Companies, Maharashtra, Mumbai as “Better Value Leasing and Finance Private Limited”. Subsequently, the name of BVLFL was changed to “Better Value Leasing and Finance Limited” vide fresh certificate of incorporation dated December 8, 1995. The registered office of BVLFL is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of BVLFL is U65990MH1983PLC030357.

BVLFL is engaged, *inter alia*, in the business of non-banking finance.

Board of Directors:

The Board of Directors of BVLFL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Vinayak Ratnakar Gawande	Director
2.	Mr. Rajiv Meghashyam Nevgi	Director
3.	Mr. Harsha Ramdas Bhatkal	Director
4.	Mr. Dipan Vinaykant Merchant	Director
5.	Mr. Anant Ratnakar Gawande	Director
6.	Mr. Nitin Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of BVLFL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Dilip Muzumdar	5,421	0.19
2.	Mr. Vinayak Gawande	2,32,491	8.12
3.	Mr. Subhash Awchat	1	0.00
4.	Mr. Nitin Gawande	32,895	1.15

5.	Mr. Rajiv M.Nevgi	4,450	0.16
6.	Ms. Neela Muzumdar	27,635	0.96
7.	Ms.Madhuri Gawande	59,287	2.07
8.	Mr. Sudhir M.Pai	22,250	0.78
9.	Vinayak Gawande (HUF)-Karta	95,310	3.33
10.	Mr. Narayan M.Torgal	50,000	1.75
11.	Ms. Yamini Gawande	21,600	0.75
12.	United Ink & Varnishes Co. Limited.	1,50,000	5.24
13.	Anfin Investments Private Limited.	56,480	1.97
14.	N.R.Gawande (HUF) Karta	190,770	6.66
15.	Ms. Andrea Braganza	23,500	0.82
16.	Popular Prakashan Private Limited.	2,00,000	6.98
17.	Mr. Richard Braganza	26,500	0.93
18.	Mr. Harsha Bhatkal	36,040	1.26
19.	Mr. Kaushal Muzumdar	5,420	0.19
20.	Mr. Resham Muzumdar	30,840	1.08
21.	Mr. Anant R.Gawande	48,250	1.68
22.	Mr. Radhakishan Chandak	1,330	0.05
23.	Ms. Sulochana Gawande	29,160	1.02
24.	Mr. Girish Sawant	1,000	0.03
25.	R.K.Gawande HUF	1,68,125	5.87
26.	Ms. Anjali Gawande	10,600	0.37
27.	Ms. Vasudha Gawande	1,68,125	5.87
28.	Mr. Kunal Gawande	9,200	0.32
29.	Mr. Kaushal Muzumdar	30,000	1.05
30.	Prathmesh Securities Private Limited.	40,000	1.40
31.	Mr. Dilip Muzumdar	93,628	3.27
32.	Ms. Neela Muzumdar	16,020	0.56
33.	Ms. Yamini A. Gawande	106,000	3.70
34.	Gawande Consultants Private Limited	572,000	19.97
35.	Unilazer Exports & Management Private Limited.	100,000	3.49
36.	Mr. Resham Muzumdar	13,550	0.47
37.	Inhouse Productions Private Limited	35,000	1.22
38.	Mr. Homji Colah	75,000	2.62
39.	Ms. Varsha Ketkar	5,000	0.17
40.	Ms. Ketki Gawande	71,612	2.50
	Total	28,64,490	100.00

Financial Performance:

The audited financial accounts of BVLFL for the last three (3) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (per value Rs. 10/- each)	28.64	28.64	28.64
Reserves and Surplus (Excluding Revaluation Reserve)	23.71	17.08	12.41
Total Income	45.45	40.09	28.73
Profit/(Loss) after Tax	7.29	5.34	5.06
Earnings/(Loss) per share	2.55	1.86	1.77
Profit and Loss Account (debit balance)	Nil	Nil	Nil
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil	Nil
Net Worth*	52.36	45.73	41.05
Net Asset Value per share	18.28	15.96	14.33

*Excluding share application money

BVLFL is not a listed company and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against BVBPL by any Stock Exchanges or SEBI. BVLFL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

6. GAWANDE CONSULTANTS PRIVATE LIMITED (“GCPL”)

Corporate structure:

GCPL was incorporated on March 24, 1999 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai as “Anfin Advisory Services Private Limited”. Subsequently, the name was changed from “Anfin Advisory Services Private Limited” to “Gawande Consultants Private Limited” vide a fresh certificate of incorporation dated April 11, 2000. The registered office of GCPL is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of GCPL is U65990MH1999PTC119106.

GCPL is engaged, *inter alia*, in the business of providing tax and financial consultancy services and investment.

Board of Directors:

The Board of Directors of GCPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Anant Ratnakar Gawande	Director
2.	Mr. Vinayak Ratnakar Gawande	Director
3.	Mr. Nitin Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of GCPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Nitin Gawande	1,467	9.77
2.	Mr. Anant Gawande	1,467	9.77
3.	Mr. Vinayak Gawande	1,467	9.77
4.	Ms. Madhuri Vinayak Gawande	1,465	9.75
5.	Vinayak Gawande – HUF	1,465	9.75
6.	Ms. Vasudha Ratnakar Gawande	1,801	11.99
7.	Ms. Yamini Anant Gawande	1,465	9.75
8.	Anant Gawande – HUF	1,465	9.75
9.	Ms. Anjali Nitin Gawande	1,465	9.75
10.	Nitin Gawande – HUF	1,465	9.75
11.	Others*	29	0.19
	Total	15,021	100.00

*Mr. Andrea Braganza; Mr. Richard Braganza; Mr. Glen Braganza; Mr. Homji Colah; Mr. Naju Colah; Ms. Yamini Gawande; Dr. Soman Chitrakleha; Mr. Bapsy Vazifdar; R. K. Gawande (HUF); Mr. Kishore Afzulpurkar; Ms. Anjali Gawande; Dr. Ajit Chikalikar; Ajit Chikalikar –HUF; Ms. Jayprakash K. Surve; Mr. Shaivax Vazifdar; Mr. Balkrishna R. Agarwal; Ms. Kusum B. Agarwal; Ms. Swati Surve; K Prafulla Ray (HUF); Ms. Leela Afzulpurkar; Mr. Joseph John D’silva; Ms. Swati Soman; Mr. Sudhakar Soman; Mr. Srinivas Krishnakumar Iyengar, Mr. Aditya Kishore Afzulpurkar, Ms. Ankita Bele, Mr. Chaitanya Bele, Dr. Satish Rao, Mr. Kantamani Krishnakuma, Mr. Kishore Bedekar and Ms. kunda Bele hold one share each.

Financial Performance:

The audited financial accounts of GCPL for the last three (3) years are as follows:

(Rs. In million, except per share data)			
Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (per value Rs. 10/- each)	0.15	0.15	0.15
Reserves and Surplus (Excluding Revaluation Reserve)	33.58	33.03	19.00
Total Income	10.13	29.89	12.92
Profit/(Loss) after Tax	0.55	13.90	0.30
Earnings per share (in Rs.)	36.47	925.15	19.67
Profit and Loss Account (debit balance)	Nil	Nil	Nil
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil	Nil
Net Worth*	33.73	33.18	19.15

Net asset value per share	2245.21	2208.74	1274.74
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*Excluding share application money

GCPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against GCPL by any Stock Exchanges or SEBI. GCPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

7. ANFIN INVESTMENTS PRIVATE LIMITED (“AIPL”)

Corporate structure:

AIPL was incorporated on June 28, 1989 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Anfin Investments Private Limited”. The registered office of GCPL is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of AIPL is U62990MH1989PTC052393.

AIPL is engaged, *inter alia*, in the consultancy and advisory of finance related matters.

Board of Directors:

The Board of Directors of AIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Anant Ratnakar Gawande	Director
2.	Mr. Nitin Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of AIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Anant Ratnakar Gawande	926	9.75
2.	Anant Ratnakar Gawande (HUF)	301	3.17
3.	Ms. Anjali Nitin Gawande	4492	47.27
4.	Mr. Nitin Ratnakar Gawande	510	5.37
5.	Nitin Ratnakar Gawande (HUF)	750	7.89
6.	Ratnakar Krishnaji Gawande (HUF)	331	3.48
7.	Narayan Torgal (HUF)	255	2.68
8.	Ms. Poonam Torgal	440	4.63
9.	Ms. Sharmila Narayan Torgal	570	6.00
10.	Ms. Yamini Anant Gawande	926	9.75
11.	M/s. M.M.Powar Construction Co.	1	0.01
	Total	9502	100.00

Financial Performance:

The audited financial accounts of AIPL for the last three (3) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100 each)	0.95	0.95	0.95
Reserves and Surplus (Excluding Revaluation Reserve)	15.27	15.17	11.41
Total Income	4.12	51.13	6.40
Profit/(Loss) after Tax	0.11	3.76	0.4
Earnings per share (in Rs.)	11.30	395.98	45.35
Profit and Loss (Debit balance)	Nil	Nil	Nil
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil	Nil
Net Worth	16.22	16.12	12.36

Net asset value per share	1707.36	1696.06	1300.43
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AIPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against AIPL by any Stock Exchanges or SEBI. AIPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

8. BETTER VALUE RESTAURANTS PRIVATE LIMITED (“BVRPL”)

Corporate structure:

BVRPL was incorporated on June 9, 2007 as a Private Limited Company and registered with the Registrar of Companies, Maharashtra, Mumbai as “Better Value Restaurants Private Limited”. The registered office of BVRPL is situated at 700-A, Deepmala, Parsee Colony Road No. 4, Parsee Colony, Dadar (East), Mumbai – 400 014, Maharashtra. The CIN of BVRPL is U55100MH2007PTC171499.

BVRPL is engaged, *inter alia*, in the business to own, run and manage restaurants and retail shops to deal in all kinds of food products either as a manufacturer or as a franchise.

Board of Directors:

The Board of Directors of BVRPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Vinayak Ratnakar Gawande	Director
2.	Mr. Anant Ratnakar Gawande	Director
3.	Mr. Nitin Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of BVRPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Anant Ratnakar Gawande	2,348	9.39
2.	Mr. Vinayak Ratnakar Gawande	2,348	9.39
3.	Mr. Nitin Ratnakar Gawande	2,340	9.36
4.	Mr. Harsha Ramdas Bhatkal	2,340	9.36
5.	Ms. Vidya Divakar Kamath	6,250	25.00
6.	Ms. Yamini Anant Gawande	2,347	9.39
7.	Ms. Madhuri Vinayak Gawande	2,347	9.39
8.	Ms. Anjali Nitin Gawande	2,340	9.36
9.	Ms. Smeeta Harsha Bhatkal	2,340	9.36
	Total	25,000	100.00

Financial Performance:

The audited financial accounts of BVRPL since inception are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008
Equity Share Capital (par value Rs. 100/- each)	2.50	2.50
Reserves and Surplus (excluding Revaluation Reserve)	Nil	Nil
Total Income	14.90	5.52
Profit/(Loss) after Tax	0.72	(0.86)
Earnings per share (in Rs.)	28.90	(34.59)
Profit and Loss Account (debit balance)	0.14	0.86
Miscellaneous Expenditure (to the extent not written off)	0.02	0.03
Net Worth	2.33	1.61*
Net asset value per share (in Rs.)	93.38	64.36

* Excluding share application money

BVRPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against BVRPL by any Stock Exchanges or SEBI. BVRPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

9. BETTER VALUE PROPERTIES PRIVATE LIMITED (“BVPPL”)

Corporate structure:

BVPPL was incorporated on March 4, 2008 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Better Value Properties Private Limited”. The registered office of BVPPL is situated at 801, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mahalaxmi, Mumbai – 400 026. The CIN of BVPPL is U70100MH2008PTC179683.

BVPPL is engaged, *inter alia*, in the business of renting of immovable property.

Board of Directors:

The Board of Directors of BVPPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Vinayak Ratnakar Gawande	Director
2.	Mr. Anant Ratnakar Gawande	Director
3.	Mr. Girish Madhukar Talwalkar	Director
4.	Mr. Girish Shrinivas Nayak	Director

Shareholding Pattern:

The shareholding pattern of BVPPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Better Value Brands Private Limited	998	99.8
2.	Mr. Anant Ratnakar Gawande	1	0.01
3.	Mr. Harsha Ramdas Bhatkal	1	0.01
	Total	1,000	100.00

Financial Performance:

The audited financial accounts of BVPPL since inception are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009
Equity Share Capital (par value Rs.100/- each)	0.10
Reserves and Surplus (Excluding Revaluation Reserve)	0.59
Total Income	5.21
Profit/(Loss) after Tax	0.59
Earnings per share (in Rs.)	587.40
Profit and Loss Account (Debit balance)	Nil
Miscellaneous Expenditure (to the extent not written off)	0.01
Net Worth	0.67
Net Asset Value per share (in Rs.)	673.80

BVPPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no actions has been taken against BVPPL by any Stock Exchanges or SEBI. BVPPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

10. VRINDAVAN RESTURANT PRIVATE LIMITED (“VRPL”)

Corporate structure:

VRPL was incorporated on March 13, 2007 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Vrindavan Restaurant Private Limited”. The registered office of VRPL is situated at 700-A, Deepmala, Parsee Colony Road No.4, Parsee Colony, Dadar (East), Mumbai. The CIN of VRPL is U15136MH2007PTC168676.

VRPL is engaged, *inter alia*, in the business of running restaurants, cafeteria of colleges, schools, offices and any activity related to preparation of foods, catering services.

Board of Directors:

The Board of Directors of VRPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Anant Ratnakar Gawande	Director
2.	Mr. Nitin Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of VRPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Ms. Supriya Kamat	20,000	20.00
2.	Mr. Anant Ratnakar Gawande	9,800	9.80
3.	Mr. Harsha Ramdas Bhatkal	9,800	9.80
4.	Mr. Nitin Ratnakar Gawande	9,800	9.80
5.	Mr. Vinayak Ratnakar Gawande	9,800	9.80
6.	Ms. Anjali Nitin Gawande	9,700	9.70
7.	Ms. Madhuri Vinayak Gawande	9,700	9.70
8.	Ms. Smita Harsha Bhatkal	9,700	9.70
9.	Ms. Yamini Anant Gawande	9,700	9.70
10.	Ms. Tanvi Harsha Bhatkal	1,000	1.00
11.	Ms. Vasudha Ratnakar Gawande	1,000	1.00
	Total	100,000	100.00

Financial Performance:

The audited financial accounts of VRPL for the last two (2) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008#
Equity Share Capital (par value Rs. 100 each)	0.1	0.1
Reserves and Surplus (Excluding Revaluation Reserve)	0.95	0.28
Total Income	5.32	1.35
Profit/(Loss) after Tax	0.67	0.28
Earnings per share (in Rs.)	671.68	277.83
Profit and Loss Account (debit balance)	Nil	Nil
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil
Net worth*	1.05	0.38
Net asset value per share	1049.51	377.83

*Excluding share application money; # for the period since incorporation

VRPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against VRPL by any Stock Exchanges or SEBI. VRPL does not fall under the definition of a sick

company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

11. BRAINWORKS LEARNING SYSTEMS PRIVATE LIMITED (“BLSPL”)

Corporate structure:

BLSPL was incorporated on January 9, 2008 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Brainworks Learning Systems Private Limited”. The registered office of BLSPL is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of BLSPL is U80900MH2008PTC177598.

BLSPL is engaged, *inter alia*, in the business of pre-school activities.

Board of Directors:

The Board of Directors of BLSPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Harsha Ramdas Bhatkal	Director
2.	Mr. Anant Ratnakar Gawande	Director
3.	Ms. Lina Ashar	Director
4.	Mr. Paul Solomon	Director
5.	Mr. Aniruddha Dange	Director

Shareholding Pattern:

The shareholding pattern of BLSPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Better Value Brands Private Limited	100,000	40.00
2.	Kangaroo Kids Education Limited	100,000	40.00
3.	India Infoline Limited	33,400	13.36
4.	Mr. Shivanand Shankar Mankekar and Ms. Laxmi Shivanand Mankekar	16,300	6.52
5.	Mr. Shivanand Shankar Mankekar and Mr. Kedar Shivanand Mankekar	300	0.12
	Total	250,000	100.00

Financial Performance:

The audited financial accounts of BLSPL since inception are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009*
Equity Share Capital (par value Rs.10/- each)	2.50
Reserves and Surplus (Excluding Revaluation Reserve)	149.5
Total Income	16.30
Profit/(Loss) after Tax	(15.90)
Earnings per share (in Rs.)	(63.59)
Profit and Loss Account (Debit balance)	15.90
Miscellaneous Expenditure (to the extent not written off)	Nil
Net Worth	152.00
Net asset value per share	608.00

* For the period since incorporation.

BLSPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against BLSPL by any Stock Exchanges or SEBI. BLSPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

12. RADHIKA HOTELS PRIVATE LIMITED (“RHPL”)

Corporate structure:

RHPL was incorporated on November 26, 1983 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Radhika Hotels Private Limited”. The registered office of RHPL is situated at 235/37, Piramal Mansion, Dr. D.N. Road, Fort, Mumbai – 400 001. The CIN of RHPL is U55200MH1983PTC031431.

RHPL is engaged, *inter alia*, in the business of hotels and restaurants.

Board of Directors:

The Board of Directors of RHPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Vinayak Ratnakar Gawande	Director
2.	Mr. Dilip Vishnu Sawant	Director
3.	Ms. Madhuri Vinayak Gawande	Director

Shareholding Pattern:

The shareholding pattern of RHPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Ms. Madhuri Vinayak Gawande	741	74.10
2.	Ms. Ketki Vinayak Gawande	250	25.00
3.	Others*	9	0.90
	Total	1000	100

*Ms.Jyoti Kishore Sirur, Ms.Shashikala Dinkar kaikini, Ms.Alaknanda Ashok Roy, Mr.Anish Anand Kamble, Ms.Jayshri Prabhat Banerji, Mr.Roossi Darashaw Nariman, Ms.Bapsy Jal Vazifdar, Mr.Shiavax Jal Vazifdar, Vinayak Ratnakar Gawande HUF hold one share each.

Financial Performance:

The audited financial accounts of RHPL for the last three (3) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100/- each)	0.1	0.1	0.1
Reserves and Surplus (Excluding Revaluation Reserve)	8.14	4.24	3.39
Total Income	13.43	17.12	12.75
Profit/(Loss) after Tax	3.91	0.84	0.42
Earnings per share (in Rs.)	3906.99	841.91	420.88
Profit and Loss Account (Debit balance)	Nil	Nil	Nil
Miscellaneous Expenditure	Nil	Nil	Nil
Net Worth*	8.24	4.34	3.49
Net asset value per share	8243.46	4336.47	3492.11

*Excluding share application money

RHPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against RHPL by any Stock Exchanges or SEBI. RHPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

13. VAKRATUND LAND DEVELOPERS PRIVATE LIMITED (“VLDPL”)

Corporate structure:

VLDPL was incorporated on November 13, 1995 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Vakratund Land Developers Private Limited”. The registered office of VLDPL is situated at C-42, 5TH Floor, Choksey Building, Gamdevi, Mumbai 400 007, Maharashtra. The CIN of VLDPL is U70100MH1995PTC094406.

VLDPL is engaged, *inter alia*, in the business of building and developing of properties.

Board of Directors:

The Board of Directors of VLDPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Ms. Akanksha Ajit Vaidya	Director
2.	Mr. Gopinath Purushottam Kukde	Director

Shareholding Pattern:

The shareholding pattern of VLDPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Ms. Madhuri Vinayak Gawande	4,000	40
2.	Mr. Anant Ratnakar Gawande	2,000	20
3.	Mr. Harsha Ramdas Bhatkal	2,000	20
4.	Mr. Gopinath Purushottam Kukde	2,000	20
	Total	10,000	100

Financial Performance:

The audited financial accounts of VLDPL for the last three (3) years are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 10/- each)	0.10	0.10	0.10
Reserves and Surplus (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	(0.03)	(0.03)	(0.03)
Profit/(Loss) after Tax	(0.03)	(0.03)	(0.03)
Earnings per share (in Rs.)	(0.25)	(0.25)	(0.25)
Profit and Loss Account (Debit balance)	0.09	0.08	0.08
Miscellaneous Expenditure	Nil	Nil	Nil
Net Worth	0.01	0.02	0.02
Net asset value per share	1.05	1.55	1.55

VLDPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against VLDPL by any Stock Exchanges or SEBI. VLDPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

14. BETTER VALUE BRANDS PRIVATE LIMITED (“BVBPL”)

Corporate structure:

BVBPL was incorporated on March 13, 2007 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai as “Better Value Foods Private Limited”. Subsequently, the name of Better Value Foods Private Limited was changed to “Better Value Brands Private Limited” *vide* fresh certificate of incorporation

dated January 24, 2008. The registered office of BVBPL is situated at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of BVBPL is U15494MH2007PTC168717.

BVBPL is engaged, *inter alia*, in the business of investment and holding all types of intellectual and intangible properties.

Board of Directors:

The Board of Directors of BVBPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Harsha Ramdas Bhatkal	Director
2.	Mr. Vinayak Ratnakar Gawande	Director
3.	Mr. Anant Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of BVBPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Anant Ratnakar Gawande	10,77,777	27.73
2.	Mr. Harsha Ramdas Bhatkal	10,77,779	27.73
3.	Mr. Vinayak Ratnakar Gawande	10,77,777	27.73
4.	Mr. Kedar Shivanand Mankekar	1,78,205	4.58
5.	Mr. Prashant Desai	1,20,800	3.11
6.	Mr. Shivanand. S Mankekar	3,54,366	9.12
	Total	38,86,704	100.00

Financial Performance:

The audited financial accounts of BVBPL since inception are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008 [#]
Equity Share Capital (par value of Rs. 10/- each)	38.87	28.85
Reserves and Surplus (Excluding Revaluation Reserve)	36.82	11.15
Total Income	0.95	0.15
Profit / (Loss) after Tax	(0.74)	(0.34)
Earnings / (Loss) per share (face value Rs. 10/-)	(0.19)	(0.12)
Profit and Loss Account (debit balance)	1.08	0.34
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil
Net Worth	74.11	39.66
Net Asset Value per share	19.07	13.75

[#] For the period since incorporation

BVBPL is not a listed company and has not made any public issue of its shares in the preceding three (3) years. Further, no actions have been taken against BVBPL by any Stock Exchanges or SEBI. BVBPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

15. POPULAR INSTITUTE OF ART PRIVATE LIMITED (“PIAPL”)

Corporate structure:

PIAPL was incorporated on September 12, 2007 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Popular Institute of Art Private Limited”. The registered office of PIAPL is situated at 301, 3rd Floor, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of PIAPL is U74999MH2007PTC174068.

PIAPL is engaged, *inter alia*, in the business of selling art and art related books.

Board of Directors:

The Board of Directors of PIAPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Harsha Ramdas Bhatkal	Director
2.	Mr. Anant Ratnakar Gawande	Director

Shareholding Pattern:

The shareholding pattern of PIAPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Better Value Brands Private Limited	999,998	100.00
2.	Mr. Anant Ratnakar Gawande	1	0.00
3.	Mr. Harsha Ramdas Bhatkal	1	0.00
	Total	1,000,000	100

Financial Performance:

The audited financial accounts of PIAPL since inception are as follows:

(Rs. In million, except per share data)

Particulars	FY 2009	FY 2008*
Equity Share Capital (par value Rs. 10 each)	10.00	0.1
Reserves and Surplus (Excluding Revaluation Reserve)	0.55	Nil
Total Income	7.36	0.00
Profit/(Loss) after Tax	0.55	(0.03)
Earnings per share (in Rs.)	0.55	(2.85)
Profit and Loss Account (debit balance)	Nil	0.03
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil
Net Worth	9.82	(0.66)
Net asset value per share	9.82	(65.89)

* For the period since incorporation.

PIAPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no actions has been taken against PIAPL by any Stock Exchanges or SEBI. PIAPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

16. POPULAR PRAKASHAN PRIVATE LIMITED (“PPPL”)

Corporate structure:

PPPL was incorporated on August 30, 1968 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Popular Prakashan Private Limited”. The registered office of PPPL is situated 301, 3rd Floor, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026. The CIN of PPPL is U22100MH1968PTC14084.

PPPL is engaged, *inter alia*, in the business of publishing of books.

Board of Directors:

The Board of Directors of PPPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Ramdas Ganesh Bhatkal	Managing Director
2.	Mr. Sadanand Ganesh Bhatkal	Director
3.	Mr. Harsha Ramdas Bhatkal	Director

Shareholding Pattern:

The shareholding pattern of PPPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Harsha Ramdas Bhatkal	32,793	87.93
2.	Mr. Ramdas Ganesh Bhatkal	3,675	9.80
3.	Ms. Laila Bhatkal	801	2.14
4.	Ms. Swati Bhatkal	50	0.13
5.	Ms. Smeeta Bhatkal	1	0.00
	Total	37,500	100.00

Financial Performance:

The audited financial accounts of PPPL for the last three (3) years are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100/- each)	3.75	3.75	3.75
Reserves and Surplus (Excluding Revaluation Reserve)	27.14	24.55	22.83
Total Income	63.94	75.08	73.21
Profit/(Loss) after Tax	2.85	2.20	1.87
Earnings per share (in Rs.)	75.94	58.67	49.90
Profit and Loss Account (debit balance)	Nil	Nil	Nil
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil	Nil
Net Worth*	30.89	28.30	26.58
Net asset value per share	823.62	754.61	708.71

* Excluding share application money

PPPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against PPPL by any Stock Exchanges or SEBI. PPPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

17. INDIAN COOKERY.COM PRIVATE LIMITED (“ICPL”)

Corporate structure:

ICPL was incorporated on February 21, 2000 as a private limited company and registered with the Registrar of Companies, Maharashtra, Mumbai under the name “Indian Cookery.Com Private Limited”. The registered office of ICPL is situated at C-18, Dalia Estate, Near Fun Republic, Andheri (West), Mumbai 400 053, Maharashtra. The CIN of ICPL is U99999MH2000134511.

ICPL is engaged, *inter alia*, in the business of consultants, advertisers and online shopping portal.

Board of Directors:

The Board of Directors of ICPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Rajeev Kapoor	Director
2.	Mr. Sanjeev Surendra Kapoor	Director
3.	Mr. Harsha Ramdas Bhatkal	Director

Shareholding Pattern:

The shareholding pattern of ICPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Mr. Sanjeev Kapoor	16,490	75.00
2.	Mr. Rajeev Kapoor	10	0.00
3.	In House Productions Limited	3300	15.00
4.	Popular Prakashan Private Limited	2100	9.55
5.	Mr. Nitin Ratnakar Gawande	100	0.45
	Total	22,000	100.00

Financial Performance:

The audited financial accounts of ICPL for the last three (3) years are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100/- each)	0.22	0.22	0.22
Reserves and Surplus (Excluding Revaluation Reserve)	5.41	5.41	5.41
Total Income	1.56	1.37	2.04
Profit/(Loss) after Tax	(2.89)	(3.03)	(1.86)
Earnings per share (in Rs.)	(131.57)	(137.58)	(84.55)
Profit and Loss (Debit balance)	15.23	12.34	9.31
Miscellaneous Expenditure (to the extent not written off)	Nil	Nil	Nil
Net Worth	(9.60)	(6.71)	(3.68)
Net asset value per share	(436.50)	(304.93)	(167.35)

ICPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against ICPL by any Stock Exchanges or SEBI. ICPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

18. POPULAR EDUCATIONAL ENTERPRISE PRIVATE LIMITED (“PEEPL”)

Corporate structure:

PEEPL was incorporated on January 31, 2003 as a private limited company and registered with the Registrar of Companies, under the name “Popular Educational Enterprise Private Limited”. The registered office of PEEPL is situated at 11/2, Barnes Avenue, Mount Lavinia, Srilanka. The registration number of PEEPL is 32845.

PEEPL is engaged, *inter alia*, in the business of publishing books.

Board of Directors:

The Board of Directors of PEEPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of Directors	Designation
1.	Mr. Mohan Bhatkal	Director
2.	Mr. Harsha Ramdas Bhatkal	Director

Shareholding Pattern:

The shareholding pattern of PEEPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Names of shareholders	No. of shares held	Percentage of Shareholding (%)
1.	Popular Prakashan Private Limited	19,263	100
	Total	19,263	100

Financial Performance:

The audited financial accounts of PEEPL for the last three (3) years are as follows:

(Rs. in million, except per share data)

Particulars	FY 2009	FY 2008	FY 2007
Equity Share Capital (par value Rs. 100/- each)	0.19	0.19	0.19
Reserves and Surplus (Excluding Revaluation Reserve)	0.16	Nil	Nil
Total Income	4.05	1.33	1.54
Profit/(Loss) after Tax	0.23	(0.07)	(0.03)
Earnings per share (in Rs.)	12.07	(3.87)	(1.57)
Profit and Loss Account (debit balance)	Nil	0.08	0.001
Miscellaneous Expenditure	Nil	Nil	Nil
Net Worth	0.35	0.12	0.19
Net asset value per share	18.15	6.07	9.95

PEEPL is not listed and has not made any public issue of its shares in the preceding three (3) years. Further, no action has been taken against PEEPL by any Stock Exchanges or SEBI. PEEPL does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up.

PARTNERSHIP FIRMS

The financial statements of the following partnership firms have been audited under Section 44AB of the IT Act.

1. M/s. TALWALKARS

M/s. Talwalkars is a partnership firm, which is formed *vide* Partnership Deed dated April 07, 2000. Its office is situated at Gohil House, L.J. Road, Mahim, Mumbai – 400 016. M/s. Talwalkars is engaged *inter alia* in the business of health club.

Partners of M/s. Talwalkars

Partners	Percentage of Stake
Mr. Sudhakar Vishnu Talwalkar	50.00
Ms. Nisha Sudhakar Talwalkar	25.00
Mr. Prashant Sudhakar Talwalkar	25.00
Total	100.00

Financial Performance

The audited financial accounts of M/s. Talwalkars for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.03	0.03	0.03
Total income	11.77	9.70	9.27
Profit before tax	(0.94)	(1.77)	(0.94)

2. M/s. TALWALKARS FITNESS CLUB

M/s. Talwalkars Fitness Club is a partnership firm, which is formed *vide* Partnership Deed dated March 7, 2005. Its office is situated at Plot-no.-34, Soni House, Gulmohar Park, JVPD Juhu Scheme, Juhu, Mumbai – 400 049. M/s. Talwalkars Fitness Club is engaged *inter alia* in the business of running health club.

Partners of M/s. Talwalkars Fitness Club

Partners	Percentage of Stake
Ms. Nanda Girish Talwalkar	14%
Ms. Geeta Amod Wagh	14%
Ms. Seeta Atul Sawhney	14%
Ms. Usha Madhukar Talwalkar	14%
Mr. Madhukar Vishnu Talwalkar	14%
Mr. Girish Madhukar Talwalkar	14%
M/s. Talwalkars Omnifitness Private Limited	16%
Total	100%

Financial Performance

The audited financial accounts of M/s. Talwalkars Fitness Club for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.05	0.05	0.05
Total income	10.08	14.72	15.99
Profit before tax	(5.27)	(0.93)	0.31

3. M/s. TALWALKARS HEALTH COMPLEX

M/s. Talwalkars Health Complex is a registered partnership firm, which is formed *vide* Partnership Deed dated April 24, 1984. Its office is situated at Khatau Mansion, Ground Floor, 95-K, Umar Park, Bhulabhai Desai Road, Mumbai 400 026. M/s. Talwalkars Health Complex is engaged *inter alia* in the business of running health club.

Partners of M/s. Talwalkars Health Complex

The partnership of M/s. Talwalkars Health Complex was reconstituted *vide* Deed of Reconstitution of Partnership dated August 10, 1998 to comprise the following partners:

Partners	Percentage of Stake
Mr. Madhukar Vishnu Talwalkar	50
Mr. Girish Madhukar Talwalkar	50
Total	100

Financial Performance

The audited financial accounts of M/s. Talwalkars Health Complex for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.05	0.50	0.50
Total income	19.53	21.85	20.60
Profit before tax	0.07	0.62	1.25

4. M/s. FITNESS INDIA INVESTMENTS

M/s. Fitness India Investments is a registered partnership firm, which is formed *vide* Partnership Deed dated January 25, 1993. Its office is situated at 7A, Ameya, Kashinath Dhuru Road, Dadar, Mumbai 400 028.

M/s. Fitness India Investments is engaged *inter alia* in the business of running aerobic classes and fitness training courses.

Partners of M/s. Fitness India Investments

Partners	Percentage of Stake
Mr. Madhukar Vishnu Talwalkar	25%
Mr. Virendra Sharad Sherlekar	25%
Ms. Usha Madhukar Talwalkar	25%
Ms. Asha Virendra Sherlekar	25%
Total	100%

Financial Performance

The financial accounts of M/s. Fitness India Investments for the last three (3) years are not disclosed as they are not required to be audited under Section 44AB of the IT Act. :

5. M/s. CLUB BUSINESS SYSTEMS

M/s. Club Business Systems is a registered partnership firm, which is formed *vide* Partnership Deed dated June 10, 2003. Its office is situated at C-34/40, Pandurang Cooperative Housing Society Limited, Opposite Juhu Post Office, Juhu, Mumbai 400 049. M/s. Club Business Systems is engaged *inter alia* in the business of health club.

Partners of M/s. Club Business Systems

Partners	Percentage of Stake
Mr. Madhukar Vishnu Talwalkar	60%
Mr. Darshansingh Balbirsingh Sandhu	20%
Ms. Seeta Atul Sawhney	20%
Total	100%

Financial Performance

The audited financial accounts of M/s. Club Business Systems for the Financial Years 2006, 2007 and 2008 are as follows:

(Rs. in millions)

Particulars	FY 2008	FY 2007	FY 2006
Partners Capital	0.015	0.015	0.015
Total income	1.74	11.68	12.40
Profit before tax	(0.97)	0.86	0.06

Note: Our Company vide slump sale agreement July 15, 2008, took over the entire business of M/s. Club Business Systems as a going concern together with the business premises situated at GA, Crystal Launger, Wallace Garden, 20, Haddows Road, 1st Street, Nungabakkam, Chennai 600 006, goodwill and the exclusive right to use the name of 'Club Business Systems'. Subsequent to which there has been no business in this partnership firm.

6. M/s. TALWALKARS HEALTH & LEISURE

M/s. Talwalkars Health & Leisure is a registered partnership firm, which is formed *vide* Partnership Deed dated January 28, 1993. Its office is situated at Kukade House, Patil Maruti Wadi, Off. N.C. Kelkar Road, Dadar Mumbai – 400 028. M/s. Talwalkars Health & Leisure is engaged *inter alia* in the business of running health club.

Partners of M/s. Talwalkars Health & Leisure

Partners	Percentage of Stake
Mr. Girish Madhukar Talwalkar	50%
Mr. Prashant Sudhakar Talwalkar	50%
Total	100%

Financial Performance

The audited financial accounts of M/s. Talwalkars Health & Leisure for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.10	0.10	0.10
Total income	37.82	34.85	29.50
Profit before tax	0.78	1.70	1.33

7. M/s. TALWALKARS HEALTH COMMUNE

M/s. Talwalkars Health Commune is a registered partnership firm, which is formed vide Partnership Deed dated May 30, 1995. Its office is situated at Natraj Theatre Building, 3rd Floor, Near Chembur Railway Station, Chembur, Mumbai – 400 071. M/s. Talwalkars Health Commune is engaged inter alia in the business of running a health club.

Partners of M/s. Talwalkars Health Commune

Partners	Percentage of Stake
Mr. Sudhakar Vishnu Talwalkar	33.34%
Ms. Nisha Sudhakar Talwalkar	33.33%
Mr. Prashant Sudhakar Talwalkar	33.33%
Total	100%

Financial Performance

The audited financial accounts of M/s. Talwalkars Health Commune for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.03	0.03	0.03
Total income	(0.13)	33.96	0.31
Profit before tax	(0.13)	33.69	0.06

Note: Our Company vide slump-sale agreement dated June 24, 2008, took over the on going concern of M/s. Talwalkars Health Commune, together with the business premises situated at 3rd floor Natraj Theater Building, Chembur, Mumbai – 400 071. Subsequent to which there has been no business in this partnership firm.

8. M/s. VRINDAVAN

M/s. Vrindavan is a registered partnership firm, which is formed vide Partnership Deed dated September 15, 2004. Its office is situated at 700-A, Deepmala, Parsee Colony Road No.4, Parsee Colony, Dadar (E), Mumbai – 400 014. M/s. Vrindavan is engaged *inter alia* in the business of running restaurant, hotel, catering services etc.

Partners of M/s. Vrindavan

Partners	Percentage of Stake
Mr. Vinayak Ratnakar Gawande	20%
Mr. Nitin Ratnakar Gawande	20%
Mr. Anant Ratnakar Gawande	20%
Mr. Harsha Ramdas Bhatkal	20%
Ms. Supriya Sanjay Kamat	20%
Total	100%

Financial Performance

The audited financial accounts of M/s. Vrindavan for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	5.32	4.28	2.63
Total income	8.68	9.79	6.16
Profit before tax	1.58	1.98	1.26

9. M/s. BHATKAL BOOK INTERNATIONAL

M/s. Bhatkal Book International is a partnership firm owned by the Bhatkal family and its office is situated at 35-C, Popular Building, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai – 400 034. M/s. Bhatkal Book International is engaged *inter alia* in the business of sale of books

Partners of M/s. Bhatkal Book International

The partnership of M/s. Bhatkal Book International was reconstituted *vide* Deed of Reconstitution of Partnership dated March 15, 1993 to comprise the following partners:

Partners	Percentage of Stake
Mr. Ramdas Ganesh Bhatkal	33.34%
Ms. Laila Ramdas Bhatkal	33.33%
Mr. Harsha Ramdas Bhatkal	33.33%
Total	100%

Financial Performance

The audited financial accounts of M/s. Bhatkal Book International for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.11	0.11	0.05
Total income	0.00	0.00	27.62
Profit before tax	(0.001)	(0.05)	27.51

10. M/s. POPULAR BOOK DEPOT PRINTING DIVISION

M/s. Popular Book Depot Printing Division is a partnership firm owned by the Bhatkal family and its office is situated at 35-C, Popular Building, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai – 400 034. M/s. Popular Book Depot Printing Division is engaged *inter alia* in the business of sale of books.

Partners of M/s. Popular Book Depot Printing Division

Partners	Percentage of Stake
Mr. Ramdas Ganesh Bhatkal	60%
Ms. Laila Ramdas Bhatkal	10%
Mr. Harsha Ramdas Bhatkal	30%
Total	100%

Financial Performance

The audited financial accounts of M/s. Popular Book Depot Printing Division for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.18	0.19	0.27
Total income	0.28	0.00	0.12
Profit before tax	(0.007)	(0.03)	0.03

11. M/s. BHATKAL & SEN

M/s. Bhatkal & Sen is a partnership firm, which is formed *vide* Partnership Deed dated December 24, 1990. Its office is situated at 16, Southern Avenue, Kolkata. M/s. Bhatkal & Sen is engaged *inter alia* in the business of publishing and selling of books.

Partners of M/s. Bhatkal & Sen

Partners	Percentage of Stake
Ms. Mandira Sen	49%
Mr. Harsha Ramdas Bhatkal	25%
Ms. Laila Ramdas Bhatkal	25%
Ms. Gitika Ray	1%
Total	100%

Financial Performance

The audited financial accounts of M/s. Bhatkal & Sen for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2009	FY 2008	FY 2007
Partners Capital	0.009	0.009	0.009
Total income	1.21	1.12	1.04
Profit before tax	0.059	0.06	0.06

12. M/S. TALWALKARS FITNESS PRODUCTS

M/s. Talwalkars Fitness Products is a partnership firm of Mr. Girish Madhukar Talwalkar. Its office is situated at Kukade House, Patil Maruti Wadi, Off. N. C. Kelkar Road, Dadar (W), Mumbai – 400 028. M/s. Talwalkars Fitness Products is engaged *inter alia* in the business of manufacturing, trading and dealers in Nutrition Powder, food supplements and related activities.

Partners of M/s. Talwalkars Fitness Products

Partners	Percentage of Stake
Mr. Girish Madhukar Talwalkar	90 %
Ms. Seeta Sawhney	10 %
Total	100%

Financial Performance

The audited financial accounts of M/s. Talwalkars Fitness Products for the last three (3) years are as follows:

(Rs. in million)

Particulars	FY 2005	FY 2004	FY 2003
Partners Capital	0.03	0.04	0.04
Total income	0.93	1.04	1.13
Profit before tax	(0.003)	(0.006)	(0.003)

Note: M/s. Talwalkars Fitness Products was carrying on business till FY 2007. However, the financial information is not available for the FY 2006 and FY 2007.

PROPRIETARY CONCERNS

The financial statements of the following proprietary concerns have been audited under Section 44AB of the IT Act.

1. M/s. TALWALKARS SPA SYSTEMS

M/s. Talwalkars Spa Systems is a proprietary concern of Mr. Prashant Sudhakar Talwalkar. Its office is situated at Gohil House, L.J. Road, Mahim, Mumbai – 400 016. M/s. Talwalkars Spa Systems is engaged *inter alia* in the business of manufacture of spa equipments.

Financial Performance

The audited financial accounts of M/s. Talwalkars Spa Systems for the last three (3) years are as follows:

(Rs. in millions)

Particulars	FY 2009	FY 2008	FY 2007
Proprietor's Capital	0.43	0.16	0.15
Total income	1.92	3.19	2.03
Profit before tax	0.43	0.25	0.18

2. M/s. TALWALKARS HEALTH CLUB

M/s. Talwalkars Health Club is a proprietary concern of Mr. Girish Madhukar Talwalkar. Its office is situated at Bhartiya Krida Mandal, Wadala, Mumbai – 400 031.

M/s. Talwalkars Health Club is engaged *inter alia* in the business of running a health club.

Financial Performance

The audited financial accounts of M/s. Talwalkars Health Club for the last three (3) years are as follows:

(Rs. in millions)

Particulars	FY 2009	FY 2008	FY 2007
Proprietor's Capital	(1.04)	(1.22)	0.38
Total income	17.11	16.12	14.57
Profit before tax	0.14	0.93	1.82

3. M/s. TALWALKARS NUTRITION CENTRE

M/s. Talwalkars Nutrition Centre is a proprietary concern of Mr. Prashant Sudhakar Talwalkar. Its office is situated at Gohil House, L.J. Road, Mahim, Mumbai – 400 016. M/s. Talwalkars Nutrition Centre is engaged *inter alia* in the diet related consultancy services.

Financial Performance

The audited financial accounts of M/s. Talwalkars Nutrition Centre for the last three (3) years are as follows:

(Rs. in millions)

Particulars	FY 2009	FY 2008	FY 2007
Proprietor's Capital	0.07	0.12	(0.22)
Total income	3.06	2.25	1.81
Profit before tax	1.64	1.21	0.67

4. M/s. TALWALKARS FITNESS ENTERPRISES

M/s. Talwalkars Fitness Enterprises is a proprietary concern of Mr. Madhukar Vishnu Talwalkar. Its office is situated at Kukade House, Patil Maruti Wadi, Off. N. C. Kelkar Road, Dadar (W), Mumbai – 400 028. M/s. Talwalkars Fitness Enterprises is an entity receiving returns on investments, fees and commissions.

Financial Performance

The audited financial accounts of M/s. Talwalkars Fitness Enterprises for the last three (3) years are as follows:

(Rs. in millions)

Particulars	FY 2009	FY 2008	FY 2007
Proprietor's Capital	2.10	1.90	0.98
Total income	1.20	1.60	1.59
Profit before tax	0.56	0.98	1.11

Defunct / Strike-off Companies

None of our Group Companies which had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of filing offer document with the Board except as given below:

Prathamesh Securities Private Limited

Prathamesh Securities Private Limited, one of our Group Companies, promoted by Mr. Vinayak Ratnakar Gawande, Mr. Anant Ratnakar Gawande and Mr. Harsha Ramdas Bhatkal, was incorporated on June 06, 2002 having its registered office at 35-C, pt. M. M. Malaviya Marg, Opp. Cross Roads, Tardeo, Mumbai – 400 034. No business has been carried out by the company for last five years and therefore no returns have been filed with the RoC. Hence, the name of the said company has been struck off from the records of RoC, Mumbai in the financial year 2008-2009.

Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

None of our Promoters have disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of this Red Herring Prospectus except as given below:

Sr. No.	Name of the Company	Name of the Promoter	Date of Disassociation	Reason for Disassociation
1.	In House Production Limited	Mr. Vinayak Ratnakar Gawande	April 24, 2007	Disassociation post merger of erstwhile Vans Information Limited (company promoted by said Promoters) with In House Production Limited.
		Mr. Harsha Ramdas Bhatkal	October 30, 2007	
		Mr. Anant Ratnakar Gawande	October 30, 2007	

Note: The above Promoters currently hold 5.17% only as on Decemberr 31, 2009.

None of our group companies, subsidiaries, joint ventures and an associate company have business interests in our Company other than as mentioned in chapter titled “Related Party Transactions” beginning on page 143 of this Red Herring Prospectus and “Annexure VII” on page 157 of this Red Herring Prospectus.

Changes in Accounting Policies in the last three years

For details on changes in Accounting Policies of our Company, please refer to Annexure IV and Annexure V forming part of the chapter titled “Financial Statements” beginning on page 145 of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on our related party transactions please refer to the paragraph titled “*Our Properties*” in chapter titled “*Our Business*” beginning on page 58 of this Red Herring Prospectus, paragraph titled “*Interest of Directors*” in the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus, paragraph titled “*Interest of Promoters in our Company*” in the chapter titled “*Our Promotes and their Background*” beginning on page 106 of this Red Herring Prospectus and in the *Annexure VII* under the chapter titled “*Financial Statements*” beginning on page 145 of this Red Herring Prospectus, there have been no sales or purchases between our Company, our Promoters and our Group Companies exceeding the aggregate value of 10% of the total sales or purchases of our Company.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements, and overall financial requirements. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

Our Company has declared equity dividend in the last five years as detailed below:

Particulars	For Year ended				
	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
No.of Equity Shares of Rs.100 each		196,687	189,661	189,661	177,018
No.of Equity Shares of Rs.10 each	1,966,870				
Rate of Dividend	1%	1%	1%	1%	1%
Amount of Dividend (Rs.)	196,687	196,687	189,661	189,661	177,018
Dividend Tax (Rs.)	33,437	33,427	31,713	27,074	24,827
Total Payout (Rs.)	230,124	230,114	221,374	216,735	201,845

SECTION V - FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

AUDITORS REPORT

To
The Board of Directors,
Talwalkars Better Value Fitness Limited
801-803, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai 400026

March 26, 2010

Dear Sirs,

1. We have examined the attached financial information of **TALWALKARS BETTER VALUE FITNESS LIMITED** ("the Company"), for the financial years ended on March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and for the period ended December 31, 2009, as approved by the Board of Directors of the Company, proposed to be included in the Offer Document issued by the Company in connection with its Public Issue of Equity Shares and prepared in accordance with:
 - a) Terms of the Paragraph B (1), Part II of Schedule II of the Companies Act, 1956 (the "Act") and
 - b) Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by Securities and Exchange Board of India ("SEBI") in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and
 - c) The terms of engagement agreed upon with you in accordance with our engagement letter dated November 11 2009 and further extension letter dated March 23, 2010, requesting us to carry out work, proposed to be included in the Offer Document issued by the Company in connection with its proposed Public Issue of Equity Shares.

2. FINANCIAL INFORMATION AS PER AUDITED FINANCIAL STATEMENTS:

We have examined the attached 'Statement of Assets and Liabilities, as restated' of the Company for the financial years ended on March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and period ended December 31, 2009 (**Annexure I**) and the attached 'Statement of Profit & Losses, as restated' for the years/period ended on those dates (**Annexure II**) and the attached 'Statement of Cashflows, as restated' for the years/period ended on those dates (**Annexure III**), together, referred to as 'Summary Statements'.

The summary statements have been extracted from the financial statements of the year/period ended March 31, 2005, audited by Saraf Associates, Chartered Accountants, being the auditors of the company for that year and have been adopted by the Board of Directors/Members for that respective year. The financial statements of the years ended March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and for the period ended December 31, 2009 have been audited by us and adopted by the Board of Directors/Members.

Based on our examination of these Summary Statements, we state that:

- The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and re-grouping as in our opinion are appropriate in the year/period to which they relate.
- The Summary Statements have to be read in conjunction with the significant accounting policies and the notes given in Annexure IV to this report.
- There are no qualifications in the auditor's report on the financial statements that require adjustments to the Summary Statements.
- The extra ordinary items that need to be disclosed separately in the summary statements have been appropriately disclosed.

The summary of significant accounting policies and the notes to accounts adopted by the Company pertaining to the financial statements as at December 31, 2009 are disclosed in Annexure IV.

Audit for the financial year ended March 31, 2005 was conducted by previous auditors, Saraf Associates, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said year. The financial report included for that year, viz., 2004-05 are based solely on the report submitted by them after conducting such additional procedure as deemed to be appropriate by us for expressing our opinion on the Restated Summary of Assets and Liabilities and Restated Summary of Profit and Loss Account for the respective year after incorporating :

- Adjustments for the changes in accounting policies retrospectively in respective financial year, if any, to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
- Adjustments for the material amounts in the respective financial year to which they relate.
- And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

3. OTHER FINANCIAL INFORMATION:

We have also examined the following other financial information annexed to in this report, prepared by the management and approved by the Board of Directors, relating to the company for the year ended March 31,2006, March 31,2007, March 31,2008, March 31,2009 and period ended December 31,2009. In respect of the year ended on March 31,2005, this information has been included based upon the report submitted by the previous auditors, Saraf Associates, Chartered Accountants, and relied upon by us:

Particulars	Annexure
Statement of Adjustments in Restated financial statements	V
Statement of Accounting Ratios	VI
Related Party Disclosures	VII
Details of Investments , As Restated	VIII
Details of Sundry Debtors, As Restated	IX
Details of Loans and Advances, As Restated	X
Details of Secured Loans, As Restated	XI
Details of Unsecured Loans, As Restated	XII
Details of Contingent Liabilities , As Restated	XIII
Details of Other Income, As Restated	XIV
Capitalization Statement	XV
Computation of Deferred Tax Asset / Liability	XVI
Statement of Tax Shelter	XVII
Details of Dividend paid by the Company	XVIII

4. In our opinion the 'financial information as per audited financial statements' and 'other financial information' as mentioned above read along the Significant Accounting Policies and Notes to Accounts on restated financial statement as given in Annexure IV and after making adjustments and regrouping as considered appropriate, have been prepared in accordance with Part II of Schedule II of the Companies Act and the Regulations issued by SEBI.
5. This report should not in any way be construed as a re-issuance or drafting of any of the previous audit reports issued by us or by the other auditors nor should this report be construed as a new opinion on any of the financial information referred to herein.
6. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed Public Issue of Equity Shares. Our report should not be used for any other purpose except with our consent in writing.

For Saraf Gurkar & Associates
Chartered Accountants

S.L.Saraf
Partner
M.No. 030866
Mumbai

Annexure I
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(In Rupees
Millions)

PARTICULARS	AS ON					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A. FIXED ASSETS						
Gross Block	1162.58	1106.48	747.00	359.03	239.39	174.79
Less: Accumulated Depreciation/Amortisation	145.79	100.86	55.98	33.49	18.54	9.52
Net Block	1016.80	1005.62	691.02	325.54	220.85	165.27
B. CAPITAL WORK IN PROGRESS	172.56	17.61	73.96	70.15	36.18	3.60
C. INVESTMENTS	41.05	40.98	15.00	15.00	0.00	0.00
D. CURRENT ASSETS, LOANS & ADVANCES						
Sundry Debtors	45.08	5.97	8.62	3.47	1.05	1.85
Cash and Bank Balances	90.08	7.59	13.37	4.26	2.82	3.83
Loans and Advances	103.81	88.43	69.77	54.90	15.27	8.61
Total	238.97	101.99	91.76	62.62	19.14	14.29
E. LIABILITIES & PROVISIONS						
Secured Loans	599.57	509.28	494.27	278.54	149.51	91.02
Unsecured Loans	313.30	303.34	162.98	90.37	48.87	52.18
Deferred Tax Liability / (Asset)	43.99	32.83	24.98	8.66	4.29	2.90
Current Liabilities	85.08	126.26	59.83	19.80	11.01	15.05
Provisions	35.05	23.72	13.17	4.43	1.71	0.86
Total	1076.99	995.43	755.23	401.80	215.39	162.02
NET WORTH (A+B+C+D-E)	392.38	170.76	116.51	71.52	60.77	21.15
REPRESENTED BY						
F. SHARE CAPITAL						
Equity Share Capital	180.66	19.67	19.67	18.97	18.97	17.70
Preference Share Capital	0.00	0.00	0.00	15.60	15.60	0.00
Total	180.66	19.67	19.67	34.57	34.57	17.70
G. RESERVES AND SURPLUS						
Profit and Loss Account Balance	160.38	117.46	63.21	18.27	7.57	3.59
Security Premium Account	57.65	33.63	33.63	18.74	18.74	0.00
Total	218.03	151.09	96.84	37.00	26.31	3.59
H. MISCELLANEOUS EXPENDITURE (to the extent not written off)	6.31	0.00	0.00	0.05	0.10	0.15
NET WORTH (F+G-H)	392.38	170.76	116.51	71.52	60.77	21.15

Annexure II
STATEMENT OF PROFIT & LOSS ACCOUNT, AS RESTATED
(In Rupees Millions)

PARTICULARS	For the Financial Year/Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A. INCOME						
Income from Operations	485.29	592.03	382.13	221.49	101.65	84.54
Other Income	2.94	2.21	2.86	1.39	0.89	1.27
Total	488.22	594.24	384.98	222.88	102.54	85.81
B. EXPENDITURE						
Personnel Cost	118.91	160.18	102.06	71.26	31.73	27.70
Administrative and other expenses	134.68	171.59	87.72	56.44	24.07	19.98
Selling & Marketing Cost	12.36	27.25	17.06	10.25	4.54	4.73
Service Tax	44.45	62.36	40.76	22.92	9.35	7.12
Total	310.39	421.38	247.60	160.87	69.70	59.53
Profits Before Finance Cost, Depreciation, Amortisation, Extra Ordinary Items & Tax (A-B)	177.83	172.87	137.38	62.01	32.85	26.29
Finance Cost	67.27	80.00	43.43	27.84	17.36	14.93
Depreciation & Amortisation	44.93	45.72	22.67	15.17	9.07	6.33
Profits Before Extra Ordinary Items & Tax	65.64	47.16	71.28	19.00	6.41	5.03
Extra Ordinary Items						
Profit/(Loss) on Sale of Assets	-	27.04	(0.48)	(0.99)	-	-
Compensation for loss of business	-	1.00	-	-	-	-
	-	28.04	(0.48)	(0.99)	-	-
Profits Before Tax	65.64	75.19	70.80	18.01	6.41	5.03
Less:						
Current Tax	11.56	9.36	8.87	2.24	0.59	0.44
Fringe Benefit Tax	-	1.11	0.54	0.47	0.23	-
Deferred Tax	11.16	7.85	16.32	4.37	1.39	2.00
Prior period Tax Adjustments	-	-	(0.10)	-	-	-
Profits After Tax	42.92	56.87	45.17	10.94	4.20	2.59
Balance brought forward from Previous Year	117.46	63.21	18.27	7.57	3.59	1.21
Profit available for appropriations	160.38	120.08	63.44	18.51	7.79	3.80
Less:						
Dividend paid on Equity Shares	-	0.20	0.20	0.19	0.19	0.18
Dividend paid on Preference Shares	-	-	-	0.02	0.00	-
Dividend Distribution Tax Paid	-	0.03	0.03	0.03	0.03	0.02
Less:						
Adjustments due to change in AS-11	-	2.39	-	-	-	-
BALANCE CARRIED TO SUMMARY OF ASSETS & LIABILITIES	160.38	117.46	63.21	18.27	7.57	3.59

Annexure III

STATEMENT OF CASH FLOWS, AS RESTATED

(In Rupees Millions)

PARTICULARS	For the Financial Year/Period ended on					
	31.12.09	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A) CASH FLOW FROM OPERATING ACTIVITIES:						
Net Profit Before Taxes	65.64	75.19	70.80	18.01	6.41	5.03
Add:						
Depreciation/Amortisation	44.93	45.72	22.67	15.17	9.07	6.33
Finance Cost (Net)	67.27	80.00	43.43	27.84	17.36	14.93
(Profit)/Loss on Sale of Assets	-	(27.04)	0.48	0.99	-	-
	112.20	98.68	66.58	44.00	26.44	21.26
Operating Profits Before Working Capital changes	177.83	173.87	137.38	62.01	32.85	26.29
Add:						
(Increase)/Decrease in Current Assets	(4.99)	(7.89)	(12.60)	(38.50)	(5.97)	(4.15)
(Increase)/Decrease in Trade and other receivables	(39.12)	2.66	(5.16)	(2.42)	0.80	(1.27)
Increase/(Decrease) in Trade and other payables	(21.55)	63.12	8.04	11.03	(0.03)	2.85
	(65.66)	57.89	(9.72)	(29.89)	(5.21)	(2.57)
Cash generated from Operations	112.17	231.76	127.66	32.12	27.64	23.72
Direct Taxes paid	(10.41)	(10.74)	(2.86)	(1.15)	(0.70)	(0.14)
Net Cash from Operating Activities	101.76	221.02	124.80	30.97	26.94	23.58
B) CASH FLOW FROM INVESTING ACTIVITIES						
Investment in Joint Venture	(0.07)	(25.98)	-	(15.00)	-	-
Other Investments	-	-	-	-	-	0.05
Purchase of Fixed Assets	(205.94)	(366.65)	(272.60)	(106.65)	(85.51)	(29.08)
Sale of Fixed Assets	-	37.46	0.15	0.33	-	-
Net Cash (used in)/from Investing Activities	(206.01)	(355.17)	(272.44)	(121.32)	(85.51)	(29.03)
C) CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital (including Premium)	185.00	-	-	-	35.60	-
Pre Issue expenses	(6.31)	-	-	-	-	-
Borrowings	737.06	506.34	407.92	232.48	153.04	51.82
Repayment of Long Term and other Borrowings	(661.76)	(305.17)	(207.57)	(112.65)	(113.54)	(31.64)
Finance Cost Paid	(67.27)	(80.00)	(43.43)	(27.84)	(17.36)	(14.93)
Dividend Paid	(0.20)	(0.20)	(0.21)	(0.19)	(0.18)	(0.18)
Net Cash used in Financing Activities	186.53	120.98	156.71	91.80	57.56	5.07
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	82.28	(13.17)	9.07	1.44	(1.01)	(0.38)
CASH AND CASH EQUIVALENTS AS AT START OF THE PERIOD	0.16	13.33	4.26	2.82	3.83	4.21
Cash & Bank Balance	90.08	7.59	13.37	4.26	2.82	3.83
Balance in Cash Credit Account	(7.64)	(7.44)	(0.04)	-	-	-
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	82.44	0.16	13.33	4.26	2.82	3.83

Annexure IV

NOTES TO STATEMENT OF ASSETS AND LIABILITIES, STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation of financial statements:

- The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. The Management evaluates all recently issued or revised accounting standards on an on-going basis.

(b) Fixed assets and depreciation:

- Fixed assets are stated at original cost, net off tax/duty credits availed if any, less accumulated depreciation / amortisation. Assets acquired by way of slump sale are recorded at book value in the books of the transferor as on the date of transfer. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of activity are treated as part of the fixed assets and capitalized. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.
- Depreciation on all fixed assets is provided pro-rata from / up to the date of acquisition / disposal using the straight line method at the rates prescribed by schedule XIV of the Companies Act, 1956.

(c) Provisions, Contingent Liabilities and Contingent Assets:

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

(d) Revenue Recognition:

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

(e) Impairment of Assets:

- An impairment loss is charged to the Profit & Loss account in the year in which the asset is identified as impaired.

(f) Employee benefits:

a. Short Term 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. Any other payments under relevant labour statutes, wherever applicable, are reimbursed to the outsourced agencies and charged off to the Profit & Loss Account in the year of payment.

b. Post Retirement benefits:

There are no employees eligible for Gratuity/other retirement benefits. Any other payments under the relevant labour statutes, wherever applicable are reimbursed to the Outsourced Agency as and when applicable.

(g) Borrowing Cost:

- Borrowing costs that are attributable to the acquisition or construction are capitalized as part of cost of such asset till such time as the asset is ready for its intended use.
- Other Borrowing costs are charged off to Revenue account in the year in which they are incurred.

(h) Foreign Currency Transactions:

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

(i) Earnings per share:

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

(j) Taxes on Income:

- Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred Tax Liability in accordance with the Accounting Standard -22 [AS-22] amounting to Rs.32.78 millions on account of the timing difference between the depreciation as per the Companies Act & Income Tax Act and the unabsorbed depreciation as per Income Tax Act had not been considered in the accounts in the previous years, the same has been adjusted against the Reserves brought forward by the Company. The Deferred Tax Liability of the current year amounting to Rs.11.16 millions has been charged to profits of the current year in accordance with the Accounting Standard -22 [AS-22].

(k) Investments:

- The Company has classified all its investments as long-term. Long-term Investments are stated at cost.

(l) Cash Flow Statement :

- The Cash Flow Statement is prepared by the Indirect Method set out in Accounting Standard (AS-3) on Cash Flow Statements and presents the Cash flows by Operating, Investing and Financing Activities of the Company.
- Cash and Cash Equivalents presented in the Cash Flow Statement consist of Cash on hand and Balances in Current Accounts with Bank.

B) NOTES TO THE ACCOUNTS (as Restated) :

(a) Disclosure pursuant to Accounting Standard (AS) 11:

In line with the amendment to Accounting Standard (AS) 11 as per the Notification No. G.S.R. 225 (E) dated 31 March, 2009, the foreign exchange gains amounting to Rs. 2.38 millions previously recognized in the Profit & Loss Account has been transferred from the Reserves and adjusted to the cost of the fixed assets as on 31st March 2009. Accordingly, the depreciation on the same has been adjusted in the restated Financial Statements.

(b) Disclosure pursuant to Accounting Standard (AS) 13:

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

Name of the Company	Ownership Interest
Talwalkars Pantaloon Fitness Private Limited	50.00%
Denovo Enterprises Private Limited	50.00%
Equinox Wellness Private Limited	33.33% *
Aspire Fitness Private Limited	50.00%

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

(c) Disclosure pursuant to Accounting Standard (AS) 15 (Revised):

As there are no employees on Company payroll, eligible for the various post retirement benefits, the Accounting Standard (AS) 15 (Revised) is not applicable to the Company.

(d) Disclosure pursuant to Accounting Standard (AS) 17:

The Company has no segment defined under Accounting Standard 17.

(e) Disclosure pursuant to Accounting Standard (AS) 21 and Accounting Standard (AS) 27:

As the Company does not own more than one half of the shareholding in any other Company, it is not required to consolidate its financial statements as per AS 21.

As no Consolidated Financial Statements are prepared by the Company, requirements of AS 27 are not applicable to the Company.

(f) Break-up of Deferred Tax Liability:

(In Rupees Millions)

Particulars	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
<u>Nature of timing difference</u>						
Normal rates of tax	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
<u>Deferred Tax Liabilities</u>						
Previous Year's figures restated at current tax rates	-	-	(0.24)	-	1.10	(0.13)
Depreciation	(12.49)	(19.66)	(14.53)	(6.68)	(4.83)	(6.94)
<u>Deferred Tax Assets</u>						
Previous Year's figures restated at current tax rates	-	-	0.13	-	(0.86)	0.11
Unabsorbed Depreciation	5.26	(3.30)	(9.70)	0.28	2.71	4.92
Effect of Disallowance u/s.40(a)(ia)	-	15.08	-	-	-	0.04
Effect of Allowance u/s.40(a)(ii)	(15.08)	-	-	-	(0.04)	-
Effect of MAT credit carried forward	11.16	0.03	8.02	2.02	0.54	-
Net Amount and consequent increase / decrease in						
Net Profit and Reserves	(11.16)	(7.85)	(16.32)	(4.37)	(1.39)	(2.00)

(g) Particulars of Earnings per share (EPS) : (Face Value Rs. 10/- each)

PARTICULARS	For the Financial Year / Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Basic Weighted Average Earnings per share (Rs.)	2.41	3.61	2.88	0.72	0.28	0.18
Diluted Earnings per share (Rs.)	2.40	3.61	2.87	0.69	0.27	0.18

C) REGROUPING:

Figures in the restated Financial Statements have been appropriately regrouped to confirm to the reclassifications made in the subsequent years.

ANNEXURE V

STATEMENT OF ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS

1. RESTATEMENTS

a) Change in Accounting Policies:

- Input credit availed on Service Tax through revenue expenses paid are accounted for separately as income, thus accounting the expenses at their gross values inclusive of service tax. Expenses on which service tax is paid in subsequent year are booked net off the Un-availed Service Tax at end of the year. In the year up to March 31,2008, the Un-availed Service Tax at end of the year same was booked as Income of the subsequent year in which the related accrued expenses were paid.
- The Company, since incorporation, has taken over businesses through Slump Sale Agreements, and these erstwhile transferor Companies/ Firms had accepted Life Membership Fees, which were amortized by them over a stipulated period up to March 31,2008. Since, the Company does not take any life memberships as a policy, in the year 2008-09, it was decided by the management to take the entire un-amortised amount as income of that year.

b) Prior Period Adjustments

The Profit and Loss Account of all the financial years included some Prior Period Expenses relating to the earlier years.

The impact of depreciation, due to amendment to the Accounting Standard (AS) 11 as per the Notification No. G.S.R. 225 (E) dated 31 March 2009, has been effected.

The effect of the above, have been taken in the respective years as is apparent from Table – 1 shown below.

c) Reconciliation of Profit/(Loss) as per Audited Accounts with Restated Statement

The reconciliation of Profits after Tax as per Audited Results and Profits after Tax as per Restated Accounts is presented below in Table – 1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss:

Table 1

RECONCILIATION OF PROFITS/(LOSS) AFTER AUDITED ACCOUNTS WITH RESTATED STATEMENTS

(Rs. In Millions)

Particulars	For the Financial Year / Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Profits After Tax as per Audited Accounts	42.92	67.30	59.85	17.36	5.63	4.59
Adjustments for :						
Change in Accounting Policies	-	(3.15)	1.96	0.11	(0.05)	(0.00)
Prior Period Adjustments	-	0.23	(0.11)	(0.00)	(0.00)	(0.00)

Change in Provision for Current & Fringe benefit tax	-	0.34	(0.22)	0.25	0.01	(0.00)
Provision for Deferred Tax	-	(7.85)	(16.32)	(4.37)	(1.39)	(2.00)
Input Credit Service Tax adjusted against CWIP	-	-	-	(2.41)	-	-
Profit After Tax as Restated	42.92	56.87	45.17	10.94	4.20	2.59

d) Current Tax and Deferred Tax impact on restatement

- The Profit and Loss Account of some years include amounts paid/ provided for or refunded back/written back, in respect of excess or shortfall income tax arising out of Income Tax appeals, assessments etc. which has now been adjusted in the respective years' tax liability.
- The Company was required to comply with the provisions of Accounting Standard – 22, Accounting for Taxes on Income with effect from financial year / period commencing on and after April 1st 2003. But the company adopted the Accounting Standard – 22 for the first time in preparing the financial statements for the period ended December 31 2009. The restated accounts have been prepared after taking the effect of Deferred Tax Expenses for the years ended on March 31,2005, March 31,2006, March 31,2007, March 31,2008, March 31,2009 and December 31,2009, as per the provisions of the Accounting Standard – 22. The effect of the same is shown in Table – 1.
- Consequent to the above adjustments given in Para (a) and (b) above, tax liabilities for the years 2004-05 to 2008-09 were recomputed and current and deferred tax provisions for the respective years have been restated in the restated financial statements.

e) Material Regroupings

Appropriate adjustments, wherever material, have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the groupings as per the Audited Financials of the Company for the financial year ended on December 31, 2009 and the requirements of the guidelines issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

f) Segment Reporting:

Talwalkars Better Value Fitness Limited, a Level 1 Enterprise is required to disclose the information required by Accounting Standard – 17. No separate segments have, however, been reported as the company does not have more than one Business or Geographical Segments, within the meaning of Accounting Standard – 17, which differ from each other in risk and reward.

g) Dividend

The Company has declared Equity Dividend @1% in every year during the periods reported in the Restated Accounts. Dividend @0.1% had been paid on Redeemable Cumulative Optionally Convertible Preference Shares, for the period from the date of their issuance till March 31 2007 as reflected in the accounts.

2. AUDITORS' QUALIFICATIONS

- There are no auditor's qualifications in respect of above restated financial statements, which require corrective adjustment in the financial information.
- Other Audit qualification matters for emphasis which do not require any corrective adjustment in the financial information are as follows:

(i) Under CARO in the year ended March 31,2005:

Attention is drawn to remarks under the Companies (Auditor's Report) Order 2003, wherein the Auditors have stated:

“In our opinion and on the basis of the information and explanations given to us, the internal controls with regard to purchase of equipments and other assets and with regard to sale of services need to be strengthened. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control.”

(ii) Under CARO in the year ended March 31,2006:

Attention is drawn to remarks under the Companies (Auditor’s Report) Order 2003, wherein the Auditors have stated:

“In our opinion and on the basis of the information and explanations given to us, the internal controls with regard to purchase of equipments and other assets and with regard to sale of services need to be strengthened. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control.”

(iii) Under CARO in the year ended March 31,2007:

Attention is drawn to remarks under the Companies (Auditor’s Report) Order 2003, wherein the Auditors have stated:

“As explained to us, physical verification of fixed assets has been carried out by the Management at most of the branches in accordance with a program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. We have been informed that the reconciliation of assets verified with the fixed assets register is still in progress at some of the branches. Discrepancies, if any, arising out of verification and reconciliation are yet to be determined.”

“In our opinion and on the basis of the information and explanations given to us, the internal controls with regard to purchase of equipments and other assets and with regard to sale of services need to be strengthened. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control.”

(iv) Under CARO in the year ended March 31,2008:

Attention is drawn to remarks under the Companies (Auditor’s Report) Order 2003, wherein the Auditors have stated:

“In our opinion and on the basis of the information and explanations given to us, the internal controls with regard to purchase of equipments and other assets and with regard to sale of services need to be strengthened. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control.”

(v) Under CARO in the year ended March 31,2009:

Attention is drawn to remarks under the Companies (Auditor’s Report) Order 2003, wherein the Auditors have stated:

“According to the information and explanations given to us and on the overall examination of the records of the Company, there are no undisputed amounts payable in respect of Income tax, customs duty, service tax, excise duty, cess and other statutory dues outstanding as at 31st March 2009 for a period more than six months from the date they became payable, except for liabilities on account of TDS (tax deducted at source) aggregating to Rs. 62.44 lacs, out of which Rs.59.02 lacs have been paid till the date of signing these statements.”

Table – 2

3. BALANCE OF PROFIT & LOSS ACCOUNT, AS RESTATED AS AT APRIL 1, 2004

(Rs. In Millions)

Particulars	As on
	01.04.2004
Profits After Tax as per Audited Accounts	1.27
Adjustments for :	
Change in Accounting Policies	1.13
Prior Period Adjustments	-
Change in Provision for Current & Fringe benefit tax	(0.09)
Provision for Deferred Tax	(0.91)
Input Credit Service Tax adjusted against CWIP	-
Profits After Tax as Restated	1.41

STATEMENT OF ACCOUNTING RATIOS

PARTICULARS	For the Financial Year / Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Net Worth (Rs. In Millions)	392.38	170.76	116.51	71.52	60.77	21.15
Restated Earnings attributable to Equity Share Holders (Rs. In Millions) *	42.92	56.87	45.17	10.92	4.19	2.59
Weighted Average no. of Equity Shares outstanding during the year / period	17,843,775	15,734,960	15,686,837	15,172,880	15,073,468	14,161,440
Weighted Average no. of Dilutive Equity Shares outstanding during the year / period	17,876,696	15,734,960	15,734,960	15,734,960	15,580,302	14,161,440
Earnings Per Share (EPS) (Face Value Rs. 10/- each)						
Basic Weighted Average Earnings per share (Rs.)	2.41	3.61	2.88	0.72	0.28	0.18
Diluted Earnings per share (Rs.)	2.40	3.61	2.87	0.69	0.27	0.18
Return on Net Worth (%)	10.94%	33.30%	38.77%	15.27%	6.90%	12.25%
NET WORTH ATTRIBUTABLE TO EQUITY SHARE HOLDERS	392.38	170.76	116.51	55.92	45.17	21.15
No. of Equity Shares outstanding at the end of period	18,065,672	15,734,960	15,734,960	15,172,880	15,172,880	14,161,440
Net Assets Value per share of Rs. 10/- each attributable to Equity share holders	21.72	10.85	7.40	3.69	2.98	1.49

Notes:

1) Earnings per share is stated after considering extra-ordinary income

2) Ratios have been computed as below:

Earnings per share- Basic Weighted average earnings (Rs.)

Net profit as restated attributable to equity shareholders/Weighted average number of equity share outstanding

Earnings per share- Dilutive average earnings (Rs.)

Net profit as restated attributable to equity shareholders/Weighted average number of diluted potential equity share outstanding

Return on Networth (%)

Net profit after tax, as restated/ Networth as at the end of the year/period

Net asset value per equity share attributable to Equity share holders (Rs.)

(Networth at the end of the year less Preference Share Capital) / Number of equity shares outstanding as at the end of the year (inclusive of impact of Bonus shares issued as per AS20)

* Restated Earnings attributed to Equity Share Holders for the year ended 31st March 2007 and 31st March 2008 include Rs.0.71 millions & Rs.1.68 millions respectively, which have not been restated as the Notification regarding AS-11 dated 31st March 2009 requires the effect of the previous years to be adjusted from Reserves on 31st March 2009.

Annexure VII

Names of the Related Parties and Nature of relationships where control exists, pursuant to Accounting Standard-18 are as follows:

(i) Key Management Personnel:

Mr. Madhukar Talwalkar (Chairman)
Mr. Prashant Talwalkar (Managing Director)
Mr. Girish Talwalkar (Director)
Mr. Vinayak Gawande (Director)
Mr. Harsha Bhatkal (Director)
Mr. Anant Gawande (Director)

(ii) Relatives of Key Managerial Personnel:

Mr. Sudhakar Talwalkar
Mrs. Nanda Girish Talwalkar
Mr. Hemant Pansare
Mrs. Yamini Anant Gawande

(iii) Joint Ventures / Associates:

Talwalkars Pantaloon Fitness Private Limited
Denovo Enterprises Private Limited
Equinox Wellness Private Limited
Aspire Fitness Private Limited

(iv) Enterprises over which Key Managerial Personnel and their relatives exercise significant influence:

Better Value Leasing & Finance Limited
Gawande Consultants Private Limited
Prathamesh Securities Private Limited
Popular Prakashan Private Limited
Radhika Hotels Private Limited
Popular Institute of Art Private Limited
Anfin Investments Private Limited
Better Value Brands Private Limited
Better Value Properties Private Limited
Brainworks Learning Systems Private Limited
Life Fitness India Private Limited
Talwalkars Omnisfitness Private Limited
Talwalkars Fitness Club
Talwalkars Health & Leisure

Talwalkars Health Club
 Talwalkars Health Complex
 Talwalkars Health Commune
 Talwalkars Gymnasium Private Limited
 Talwalkars Spa Systems
 Talwalkars Nutrition Centre
 Talwalkars Fitness Products
 Club Business Systems
 Talwalkars Health Unlimited
 Vinayak Gawande (HUF)
 Anant Gawande (HUF)
 Nitin Gawande (HUF)

Transactions with Related Parties pursuant to Accounting Standard-18

Key management personnel and their Relatives :

Rs.(in millions)

Name of the party	Nature of transaction	For the Financial Year / Period ended on					
		31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Mr. Madhukar Talwalkar	Director's Remuneration	3.68	6.38	4.56	2.88	2.33	0.94
Mr. Prashant Talwalkar	Director's Remuneration	2.65	4.28	3.66	1.91	1.20	0.94
	Rent for Premises	1.44	1.79	-	-	-	-
	Deposit for premises	-	1.31	-	-	-	-
	Deposit outstanding as on	1.31	1.31	-	-	-	-
Mr. Girish Talwalkar	Director's Remuneration	2.65	4.28	3.66	1.91	1.20	0.94
	Advance for purchase of assets	-	0.07	-	-	-	-
	Loans & Advances given/ (taken)	-	(0.01)	0.10	-	-	-
	Net Loan outstanding as on	(0.01)	(0.01)	-	(0.10)	(0.10)	(0.10)
Mr. Vinayak Gawande	Director's Remuneration	1.77	2.85	1.80	1.27	0.80	0.62
	Loans & Advances given/ (taken)	7.31	(0.77)	(0.67)	(5.87)	-	-
	Net Interest on Unsecured Loans	0.72	0.86	0.75	0.36	-	-
	Loan outstanding as on	-	(7.31)	(6.54)	(5.87)	-	-

Mr. Harsha Bhatkal	Director's Remuneration	1.77	2.85	1.80	1.27	0.80	0.62
Mr. Anant Gawande	Director's Remuneration	1.77	2.85	1.80	1.27	0.80	0.62
Mrs. Yamini Gawande	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	2.50 0.17 -	(2.50) 0.00 (2.50)	- - -	- 0.01 -	- 0.06 -	- - -
Mrs. Nanda Talwalkar	Loans & Advances given/ (taken) Net Loan outstanding as on	- -	- -	0.09 -	- (0.09)	- (0.09)	- (0.09)
Mr. Sudhakar Talwalkar	Professional fees paid	0.23	0.30	-	-	-	-
Mr. Hemant Pansare	Loans & Advances given/ (taken) Net Interest on Unsecured Loans Loan outstanding as on	- - -	- - -	- - -	1.00 0.01 -	(0.00) 0.12 (1.00)	0.00 0.12 (1.00)

Joint Ventures / Associates
(Rs.in millions)

Name of the party	Nature of transaction	For the Financial Year / Period ended on					
		31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Talwalkars Pantaloon Fitness Pvt. Ltd	Investment in Equity Shares	-	-	-	10.00	-	-
	Loans & Advances given/ (taken) Net Warehousing charges recovered	1.81 -	0.36 (0.14)	(0.04) -	(1.31) -	- -	- -
	Transfer of Members Fees Advance incurred towards pre-operative expenses of Joint Venture	(0.09) -	(0.01) -	(0.01) -	- -	- 0.50	- -

	Training expenses received	-	-	-	(0.87)	-	-
	Advance for purchase of assets	0.37	-	-	0.59	-	-
	Guest house expenses received	0.18	-	-	-	-	-
	Loan outstanding as on	3.35	1.09	0.60	0.65	0.50	-
	Share Application Money given	25.98	25.98	-	-	-	-
Denovo Enterprises Pvt. Ltd.	Investment in Equity Shares in the period	-	-	-	5.00	-	-
	Franchise fee Income	2.09	2.90	2.66	-	-	-
	Franchise fee receivable as on	0.66	0.93	1.34	-	-	-
	Transfer of Members Fees	(0.01)	-	(0.03)	-	-	-
	Loans & Advances given/ (taken) Net	(0.04)	-	0.02	0.00	-	-
	Investment in Equity Shares as on	5.00	5.00	5.00	5.00	-	-
	Loan outstanding as on	(0.06)	(0.01)	(0.01)	0.00	-	-
Aspire Fitness Private Limited	Investment in Equity Shares in the period	0.05	-	-	-	-	-
	Share Application Money given	0.02	-	-	-	-	-
Equinox Wellness Pvt. Ltd.	Franchise fee Income	0.82	0.91	0.70	0.57	0.81	-
	Franchise fee receivable as on	0.44	0.04	0.43	0.21	0.02	-
	Loans & Advances given/ (taken) Net	0.02	-	0.02	-	-	-
	Transfer of Members Fees	-	-	(0.02)	-	-	-
	Loan outstanding as on	0.02	-	-	-	-	-

Associate Companies / Firms

(Rs.in millions)

Name of the party	Nature of transaction	For the Financial Year / Period ended on					
		31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Better Value Leasing & Finance	Loans & Advances given/	6.95	(66.37)	0.47	(23.57)	0.68	(9.32)

Ltd	(taken) Net						
	Office expenses	0.07	0.09	-	-	-	0.03
	Syndication fees	-	-	-	-	-	-
	Interest on Unsecured Loans	11.42	12.84	5.49	3.16	2.96	2.46
	Loan outstanding as on	(103.82)	(110.70)	(44.24)	(44.71)	(21.14)	(21.82)
Gawande Consultants Pvt. Ltd.	Loans & Advances given/ (taken) Net	3.91	2.57	(7.83)	(7.14)	(1.45)	0.20
	Electricity expenses	0.29	0.42	-	-	-	-
	Interest on Unsecured Loans	2.79	3.57	3.56	1.51	1.99	1.73
	Loan outstanding as on	(25.39)	(29.01)	(31.15)	(23.32)	(16.18)	(14.73)
Prathamesh Securities Pvt. Ltd	Loans & Advances given/ (taken) Net	-	-	-	-	5.15	(1.76)
	Interest on Unsecured Loans	-	-	-	-	0.47	0.43
	Loan outstanding as on	-	-	-	-	-	(5.15)
Popular Prakashan Pvt. Ltd.	Loans & Advances given/ (taken) Net	(4.56)	(30.55)	(9.88)	(5.53)	(0.00)	0.00
	Interest on Unsecured Loans	5.48	2.92	0.93	0.03	-	0.03
	Loan outstanding as on	(50.52)	(45.95)	(15.41)	(5.53)	-	0.00
Radhika Hotels Pvt. Ltd.	Conference charges paid	-	-	-	-	-	0.02
	Loans & Advances given/ (taken) Net	(9.66)	(1.71)	(0.01)	(0.03)	0.55	(1.06)
	Interest on Unsecured Loans	0.32	0.34	0.21	0.16	0.23	0.16
	Loan outstanding as on	(12.76)	(3.10)	(1.39)	(1.38)	(1.35)	(1.90)
Popular Institute of Art Pvt.Ltd	Loans & Advances given/ (taken) Net	2.09	(9.27)	-	-	-	-
	Interest on Unsecured Loans	0.87	0.33	-	-	-	-
	Loan outstanding as on	(7.18)	(9.27)	-	-	-	-
Anfin Investments Pvt. Ltd	Loans & Advances given/ (taken) Net	(8.70)	(6.30)	-	-	-	-
	Interest on Unsecured Loans	0.32	-	-	-	-	-
	Loan outstanding as on	(15.00)	(6.30)	-	-	-	-
Better Value Brands	Loans &						

Pvt. Ltd	Advances given/ (taken) Net	(0.15)	(0.15)	(1.12)	-	-	-
	Interest on						
	Unsecured Loans	0.15	0.19	0.15	-	-	-
	Loan outstanding						
	as on	(1.41)	(1.27)	(1.12)	-	-	-
	Loans &						
Better Value	Advances given/ (taken) Net	1.40	(6.46)	(30.06)	-	-	-
Properties Pvt. Ltd.							
	Interest on						
	Unsecured Loans	0.04	0.19	0.07	-	-	-
	Loan outstanding						
	as on	(1.33)	(2.73)	(30.06)	-	-	-
	Sale						
	consideration of						
	Property	-	37.50	-	-	-	-
	Deposit against						
	rented property	-	3.71	-	-	-	-
	Deposit						
	outstanding as on	3.71	3.71	-	-	-	-
	Rent for						
	Premises	4.30	5.55	-	-	-	-
Brainworks	Loans &						
Learning Systems	Advances given/ (taken) Net	-	(0.03)	0.03	-	-	-
Pvt. Ltd.							
	Loan outstanding						
	as on	-	-	0.03	-	-	-
Life Fitness India	Transfer of						
Pvt. Ltd.	Members Fees	-	-	(0.01)	-	-	-
	Loan outstanding						
	as on	(0.01)	(0.01)	(0.01)	-	-	-
Talwalkars	Purchase						
Omnifitness Pvt.	consideration for						
Ltd.	takeover of						
	Business	-					
	Loans &						
	Advances given/ (taken) Net	-	-	-	-	0.05	0.04
	Write (off)/back						
	of amounts due	-	-	(0.55)	-	-	-
	Loan outstanding						
	as on	-	-	-	0.55	0.55	0.51
Talwalkars Fitness	Professional fees	-	-	-	-	-	-
Club							
	Loans &						
	Advances given/ (repaid) Net	0.21	(0.00)	0.27	-	-	-
	Transfer of						
	Members Fees	(0.04)	(0.06)	(0.02)	-	-	-
	Office						
	Equipment sold	-	0.05	-	-	-	-
	Loan outstanding						
	as on	0.41	0.24	0.25	-	-	-
Talwalkars Health &	Loans &						
Leisure	Advances given/ (repaid) Net	(0.41)	(0.28)	0.15	-	-	-

	Transfer of Members Fees	(0.02)	0.01	(0.02)	-	-	-
	Gym Equipment sold	-	0.31	0.25	-	-	-
	Loan outstanding as on	0.00	0.43	0.39	-	-	-
Talwalkars Health Club	Loans & Advances given/ (repaid) Net	(0.12)	(0.12)	0.22	-	-	-
	Transfer of Members Fees	(0.02)	(0.01)	-	-	-	-
	Loan outstanding as on	(0.05)	0.08	0.22	-	-	-
Talwalkars Health Complex	Loans & Advances given/ (repaid) Net	(0.19)	0.16	0.29	-	-	-
	Transfer of Members Fees	(0.02)	(0.07)	(0.03)	-	(0.03)	-
	Loan outstanding as on	0.13	0.35	0.26	-	-	-
Talwalkars Health Commune	Purchase consideration for takeover of Business	-	-	42.50	-	-	-
	Royalty	-	-	0.34	0.34	-	-
	Loans & Advances given/ (repaid) Net	-	-	0.00	-	-	-
	Deposit against conducting agreement	-	-	(32.50)	32.50	-	-
	Deposit outstanding as on	-	-	-	32.50	-	-
Talwalkars Gymnasium	Share in Advertising expenses	-	-	-	-	0.33	-
Pvt. Ltd	Loans & Advances given/ (repaid) Net	-	-	-	(0.00)	0.00	-
	Loan outstanding as on	-	-	-	-	0.00	-
Talwalkars Spa Systems	Supply of Steam Machines	-	-	2.85	-	0.68	-
Talwalkars Nutrition Centre	Loans & Advances given/ (repaid) Net	(0.12)	(0.10)	0.27	-	-	-
	Transfer of Members Fees	(0.01)	(0.05)	(0.00)	-	-	-
	Loan outstanding as on	(0.02)	0.12	0.27	-	-	-
Talwalkars Fitness Products	Foods & Suppliments purchased	-	-	-	0.04	0.09	0.06
Club Business	Purchase	-	19.50	-	-	-	-

Systems	consideration for takeover of Business						
	Royalty paid	-	-	0.24	-	-	-
	Deposit against conducting agreement	-	(14.00)	14.00	-	-	-
	Deposit outstanding as on	-	-	14.00	-	-	-
Talwalkars Health Unlimited	Loans & Advances given/ (repaid) Net	-	0.03	-	-	0.03	(0.12)
	Loan outstanding as on	-	-	(0.03)	(0.03)	(0.03)	(0.06)
Vinayak Gawande (HUF)	Loans & Advances given/ (taken) Net	2.50	(2.50)	-	-	-	-
	Interest on Unsecured Loans	0.24	0.00	-	-	-	-
	Loan outstanding as on	-	(2.50)	-	-	-	-
Anant Gawande (HUF)	Loans & Advances given/ (taken) Net	2.50	(2.50)	-	-	-	-
	Interest on Unsecured Loans	0.17	0.00	-	-	-	-
	Loan outstanding as on	-	(2.50)	-	-	-	-
Nitin Gawande (HUF)	Loans & Advances given/ (taken) Net	2.50	(2.50)	-	-	-	-
	Interest on Unsecured Loans	0.13	0.00	-	-	-	-
	Loan outstanding as on	-	(2.50)	-	-	-	-

Annexure VIII

DETAILS OF INVESTMENTS, AS RESTATED

(In Rupees Millions)

PARTICULARS	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
A. Trade Un-quoted Investments, at cost	-	-	-	-	-	-
B. Non-trade Unquoted Investments in Joint Ventures						
(a) <u>In fully paid up Equity</u>						
Talwalkars Pantaloon Fitness Private Ltd	10.00	10.00	10.00	10.00	-	-
[100000 (Previous year 100000) Equity Shares of Rs.100/- each fully paid up						

Denovo Enterprises Private Ltd [50000 (Previous year 50000) Equity Shares of Rs.100/- each fully paid up	5.00	5.00	5.00	5.00	-	-
Aspire Fitness Private Limited [500 (Previous year Nil) Equity Shares of Rs.100/- each fully paid]	0.05	-	-	-	-	-
(b) <u>Share Application Money</u> Talwalkars Pantaloon Fitness Private Ltd	25.98	25.98	-	-	-	-
Aspire Fitness Pvt Ltd	0.02					
Total (B)	41.05	40.98	15.00	15.00	-	-
Total Investments (A+B)	41.05	40.98	15.00	15.00	-	-

Annexure IX

DETAILS OF SUNDRY DEBTORS, AS RESTATED

(Rs. In Millions)

PARTICULARS	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Unsecured, Considered Good						
<u>Promoter group</u>						
- More than six months	-	-	-	-	-	-
- Less than six months	-	-	-	-	-	-
<u>JV/Associates</u>						
- More than six months	-	-	0.35	-	-	-
- Less than six months	1.10	0.97	1.42	0.31	0.02	-
<u>Others</u>						
- More than six months	-	0.06	-	-	-	-
- Less than six months	43.98	4.94	6.85	3.15	1.03	1.85
Total	45.08	5.97	8.62	3.46	1.05	1.85

Annexure X

DETAILS OF LOANS AND ADVANCES, AS RESTATED

(In Rupees Millions)

Particulars	As on 31.12.2009			As on 31.03.2009			As on 31.03.2008		
	Promoter group	Joint Ventures/ Associates	Others	Promoter group	Joint Ventures/ Associates	Other	Promoter group	Joint Ventures/ Associates	Others
Advances recoverable in Cash or kind or for value to be received	(0.01)	0.40	0.65	1.22	(0.01)	1.99	1.42	(0.01)	3.43
Deposits	1.31	3.71	64.71	1.31	3.83	58.12	0.68	-	56.05
Inter-corporate				-			-		-

deposits	-	3.35	-		1.09	-		0.60	
Input Credit Service tax Carried forward	-	-	0.16	-	-	0.33	-	-	0.88
Income Tax & FBT Paid	-	-	25.36	-	-	14.98	-	-	4.20
Prepaid expenses	-	-	1.46	-	-	2.51	-	-	1.80
Unavailed Service Tax Cenvat Credit	-	-	2.71	-	-	3.07	-	-	0.72
Total	1.29	7.46	95.06	2.53	4.91	81.00	2.10	0.59	67.07
Grand Total			103.81			88.43			69.77

Particulars	As on 31.03.2007			As on 31.03.2006			As on 31.03.2005		
	Promoter group	Joint Ventures / Associates	Others	Promoter group	Joint Ventures/ Associates	Others	Promoter group	Joint Ventures/ Associates	Others
Advances recoverable in Cash or kind or for value to be received	0.56	-	0.62	0.83	0.47	0.76	0.51	-	2.37
Deposits	33.05	-	15.98	-	-	10.27	-	-	5.20
Inter-corporate deposits	-	0.65	-	-	-	-	-	-	-
Input Credit Service tax Carried forward	-	-	1.25	-	-	1.60	-	-	0.01
Income Tax & FBT Paid	-	-	1.93	-	-	0.80	-	-	0.12
Prepaid expenses	-	-	0.60	-	-	0.45	-	-	0.32
Unavailed Service Tax Cenvat Credit	-	-	0.26	-	-	0.08	-	-	0.07
Total	33.61	0.65	20.64	0.83	0.47	13.97	0.51	-	8.10
Grand Total			54.90			15.27			8.61

DETAILS OF SECURED LOANS, AS RESTATED
LOANS FROM BANKS
(In Rupees Millions)

PARTICULARS	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
(a) Term Loans (including interest accrued and due)	466.05	400.71	339.90	212.16	133.84	91.02
(b) Cash Credit Facility	7.64	7.44	0.04	-	-	-
(c) Acceptances	125.88	101.13	154.33	66.37	15.67	-
Total	599.57	509.28	494.27	278.54	149.51	91.02

Details of Security against Secured Loans availed:
As at March 31, 2005

- The Term Loan of Rs.157 millions (Inclusive of sub limit of Rs. 60 millions of Inland/Import Letter of Credit) availed is secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums and further secured by mortgage of premises of the Company and mortgage of premises of two third parties by way of collateral security and further secured by the personal guarantee of two Directors of the Company.

As at March 31, 2006

- The Term Loan of Rs. 265.30 millions (Inclusive of sub limit of Rs. 160 millions of Inland/Import Letter of Credit)availed is secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums and further secured by mortgage of premises of the Company and mortgage of premises of two third parties by way of collateral security and further secured by the personal guarantee of two Directors of the Company.

As at March 31, 2007

- The Term Loan of Rs.415.30 millions (Inclusive of sub limit of Rs. 285 millions of Inland/Import Letter of Credit) availed is secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums and further secured by mortgage of premises of the Company and mortgage of premises of third parties by way of collateral security and further secured by the personal guarantee of two Directors of the Company.

As at March 31, 2008

- The Term Loan of Rs.640.30 millions (Inclusive of sub limit of Rs. 475 millions of Inland/Import Letter of Credit) availed is secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums and further secured by mortgage of premises of the Company and mortgage of premises of third parties by way of collateral security and further secured by the personal guarantee of two Directors of the Company.

As at March 31, 2009

- All Term Loans of Rs.640.30 millions (Inclusive of sub limit of Rs. 475 millions of Inland/Import Letter of Credit and cash credit facility) are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage of immovable premises of the Company, collateral security by mortgage of premises of third parties and the personal guarantee of three Directors of the Company.

As at 31st December 2009

- All term loans of Rs.776.50 millions (inclusive of sub limit of Inland and Foreign Letter of credit and cash credit facility) are secured primarily against the first hypothecation / mortgage charge on the entire movable and immovable Fixed Assets & Current Assets of the Company including Gymnasium Equipments, Furniture & Fixtures and any other equipment installed in the Gymnasiums, equitable mortgage of immovable premises of the Company, Corporate guarantee and collateral security by way of equitable mortgage of premises of third parties and the personal guarantee of three Directors of the Company.

PARTICULARS	Nature of Borrowing	Sanctioned Amount	Outstanding as on 31.12. 2009	Repayment Terms	Particulars of Interest	Security against Loans	Purpose	Restrictive Covenants	Shares pledged
Union Bank of India		(Agreement dated 30th July 2009)							
	Term Loan	235.00	30.20	72 monthly instalments commencing from September 2009	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	Primary: - Exclusive first charge on entire current assets of the Company.	All Secured Loans taken for the purpose of funding capital expenditure towards rollout of Gyms and other passive infrastructure.	The Agreements with banks in relation to financial facilities sanctioned by them have certain restrictive covenants. A summary of certain significant restrictive covenants is as follows :	Nil
		490.00	392.46	72 monthly instalments commencing from January 2011	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	-Exclusive first charge on all fixed assets of the Company.		1. The company shall not be reconstituted without the Banks approval and otherwise the bank shall reserve the right to continue the limit(s) to the reconstituted company depending on the merits of the issue.	Nil
		44.00	43.39	72 monthly instalments commencing from April 2010	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	Collateral: - Properties owned by the Company at Turner Road, Bandra and Mangal Simran, Mulund			Nil
		769.00	466.05						

Particulars	Nature of Borrowing	Sanctioned Amount	As on 31.12.2009	Repayment Terms	Particulars of Interest	Security against Loans	Purpose	Restrictive Covenants	Shares pledged
	Bank Cash Credit facility	7.50	7.64		Current rate is 12% p.a.	- Mortgage of third party properties at Mahalaxmi and Tardeo		2 . The company will not declare dividend without permission of the bank.	Nil
	Acceptances	*	125.88		Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	- Personal guarantee of three Directors of the Company		3 No interse-transfer of funds within the transfer of the group, except for genuine trade transaction.	Nil
		776.50	599.57						

* the above sanctioned amount of Rs.769 millions includes sub-limit of acceptances

Annexure XII

DETAILS OF UNSECURED LOANS, AS RESTATED

(In Rupees Millions)

PARTICULARS	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Inter Corporate Deposits						
Promoters	-	-	-	-	-	-
Joint Ventures/Associates	217.41	208.31	123.36	74.94	38.67	43.61
Others	95.89	65.61	31.02	7.31	7.01	5.89
	313.30	273.93	154.39	82.25	45.68	49.49
Loans from Directors, shareholders & their relatives						
Promoters	-	12.32	6.54	5.97	0.10	0.10
Joint Ventures/Associates	-	-	-	-	-	-
Others	-	17.09	2.05	2.14	3.09	2.59
	-	29.41	8.59	8.12	3.19	2.69
Total	313.30	303.34	162.98	90.37	48.87	52.18

(In Rupees Millions)

PARTICULARS	Outstanding as on 31-Dec-09	Repayment Terms		Particulars of Interest	Purpose	Restrictive Covenants
		till Mar 31, 2010	2010- 2011			
A) Inter Corporate Deposit	-					
a) Loans from Promoters	-					
b) Joint Venture/ Associates						
Better Value Brands Pvt Ltd	1.41		1.41	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Better Value Leasing & Finance Ltd	103.82		103.82	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for the purpose of the business of the Company or other matters beneficial to the business of the Company including rollout of gyms and related infrastructure.	Nil
Better Value Properties Pvt. Ltd	1.33		1.33	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Gawande Consultants Pvt. Ltd	25.39		25.39	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for the purpose of the business of the Company or other matters beneficial to the business of the Company including rollout of gyms and related infrastructure.	Nil

Popular Institute of Art Pvt. Ltd	7.18		7.18	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Popular Prakashan Pvt.Ltd	50.52		50.52	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
Radhika Hotels Pvt. Ltd	12.76	0.88	11.88	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
Anfin Investment Pvt. Ltd.	15.00		15.00	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
	217.41	0.88	216.52			
c) Others						
Indian Cookery.com Pvt. Ltd	9.63		9.63	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Sigmatograph Pvt. Ltd	2.02		2.02	Prime Lending rate payable to Axis Bank (former	primarily for rolling out new gyms / health centers	Nil

Supressa Graphics Pvt. Ltd	24.43	24.43	-	Bankers to the Company) Current rate is 14.75% Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	primarily for rolling out new gyms / health centers	Nil
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PARTICULARS	Outstanding as on	Repayment Terms		Particulars of Interest	Purpose	Restrictive Covenants
	31-Dec-09	till Mar 31, 2010	2010-2011			
Tribhovandas Bhimji Zaveri & Bros.Pvt. Ltd	24.22		24.22	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
Inhouse Productions Ltd	35.60	0.41	35.19	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
	95.89	22.84	71.06			
Total (A)	313.30	25.72	287.58			
<u>B) Loans from Directors, shareholders & their relatives</u>						
a) Loans from Promoters	-	-	-			
b) Joint Venture/ Associates	-	-	-			
c) from Others	-	-	-			
	-	-	-			
Totalling to	313.30	25.72	287.58			

DETAILS OF CONTINGENT LIABILITIES, AS RESTATED

Annexure XIII
(In Rupees Millions)

PARTICULARS	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Income Tax demands (net of amount paid in protest)	1.90	1.90	-	-	-	-
Claim before Consumer Dispute Redressal Forum, Mumbai	-	Not ascertainable	Not ascertainable	Not ascertainable	Not ascertainable	Not ascertainable
Bank Guarantee given on behalf of Joint Ventures	123.40	124.55	122.55	11.25	-	-
Claim from a landlord, appeal pending before the Judiciary	Not ascertainable	Not ascertainable	Not ascertainable	-	-	-
Letter of Credit opened by banks for purchase of gym equipments	-	-	-		18.79	0.31
Claim from Advertising Agency #	0.66					

8800 GBP @Rs.75.03 (rate as on 31.12.2009)

DETAILS OF OTHER INCOME, AS RESTATED

Annexure XIV
(In Rupees Millions)

PARTICULARS	For the Financial Year / Period ended on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Recurring Income						
Income from Juice Centre and Food & Supplements	0.54	0.56	0.37	0.48	0.63	1.26
Miscellaneous Income	0.37	0.56	0.19	0.21	0.06	0.01
Non- Recurring Income						
Interest on Bank Term Deposits	1.39	0.32	-	-	-	-
Sundry Credit balances no longer payable	0.63	0.78	0.61	-	0.20	-
Foreign Exchange Fluctuation Gain *	-	-	1.68	0.70	-	-
Total	2.94	2.21	2.86	1.39	0.89	1.27

*Foreign Exchange Fluctuation Gain has been adjusted against the reserves as on 31.03.09 as per Notification No. G.S.R. 225(E) dated 31.03.2009

Annexure XV
CAPITALIZATION STATEMENT
(In Rupees Millions)

PARTICULARS	Pre Issue As At 31.12.2009	Post Issue*
Borrowings		
Secured Loans	599.57	
Unsecured Loans	313.30	
Less: Short Term Debts	125.82	
Total long-term borrowings	787.05	
Shareholders' Funds		
Equity Share Capital	180.66	
Reserves & Surplus		
Profit and Loss Accounts	160.38	
Securities Premium	57.65	
Less: Miscellaneous Expenditure to the extent not written off	6.31	
Total Shareholders' Funds	392.38	
Debt / Equity Ratio	2.01	

* Shareholders' funds post issue can be calculated only on the conclusion of the book building process

Note: Short Term Debts are debts maturing within next 12 months from December 31, 2009

Annexure XVI
COMPUTATION OF DEFERRED TAX ASSET / LIABILITY, AS RESTATED
(In Rupees Millions)

Particulars	As on					
	31.12.2009	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
<u>Nature of timing difference</u>						
Normal rates of tax	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
<u>Deferred Tax Liabilities</u>						
Previous Year's figures restated at current tax rates	-	-	(0.24)	-	1.10	(0.13)
Depreciation	(12.49)	(19.66)	(14.53)	(6.68)	(4.83)	(6.94)
<u>Deferred Tax Assets</u>						
Previous Year's figures restated at current tax rates	-	-	0.13	-	(0.86)	0.11
Unabsorbed Depreciation	5.26	(3.30)	(9.70)	0.28	2.71	4.92
Effect of Disallowance u/s.40(a)(ia)	-	15.08	0.00	-	-	0.04
Effect of Allowance u/s.40(a)(ii)	(15.08)	(0.00)	-	-	(0.04)	-
Effect of MAT credit carried forward	11.16	0.03	8.02	2.02	0.54	-
Net Amount and consequent increase / decrease in						
Net Profit and Reserves	(11.16)	(7.85)	(16.32)	(4.37)	(1.39)	(2.00)

Annexure XVII

STATEMENT OF TAX SHELTERS

(In Rupees Millions)

PARTICULARS		For the Financial Year/Period ended on					
		31.12. 2009*	31.03. 2009	31.03. 2008	31.03. 2007	31.03. 2006	31.03. 2005
Profit/(Loss) before tax as per Audited Accounts	A	65.55	78.11	68.95	20.31	6.47	5.03
Income tax rate applicable under Normal Provisions	B	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
Income tax rate applicable under MAT Provisions	C	17.00%	11.33%	11.33%	11.22%	8.42%	7.84%
Tax at Normal Income Tax Rates	D= (A x B)	22.28	26.55	23.44	6.84	2.18	1.84
Adjustments:							
Permanent Differences							
- Expenses disallowed	E1	-	-	-	-	-	0.38
-(Profit)/Loss on sale of asset	E2	-	(27.04)	0.48	0.99	-	-
Total Permanent Differences	E= E1+E2	-	(27.04)	0.48	0.99	-	0.38
Other Adjustments							
Temporary Differences							
Depreciation as per Companies Act, 1956		45.01	45.83	22.62	15.12	9.02	6.28
Depreciation as per Income Tax Act, 1961		81.71	103.91	65.35	34.97	23.37	25.25
Difference between book depreciation & IT act depreciation	F1	(36.70)	(58.08)	(42.74)	(19.85)	(14.35)	(18.97)
Brought forward of depreciation loss adjusted	F2	-	(10.51)	(26.50)	(1.46)	-	-
Allowances under 40(a) / 43B		(44.36)	(0.00)	-	-	(0.12)	-
Disallowances under 40(a) / 43B		-	44.36	0.00	-	-	0.12
	F3	(44.36)	44.36	0.00	-	(0.12)	0.12
Total Timing Differences	F= F1+F2 +F3	(81.06)	(24.24)	(69.23)	(21.31)	(14.47)	(18.84)
Net Adjustment	G=E+ F	(81.06)	(51.28)	(68.75)	(20.32)	(14.47)	(18.47)
Tax Savings Thereon	H=(G x B)	(27.55)	(17.43)	(23.37)	(6.84)	(4.87)	(6.76)
TOTAL TAXATION CHARGE	J= (D+H)	(5.27)	9.12	0.07	(0.00)	(2.69)	(4.92)
Taxable Income for MAT purpose (as per Income tax returns)*	K	65.55	78.11	68.95	20.31	6.47	5.03
Tax payable under MAT provisions	L=(K x C)	11.14	8.85	7.81	2.28	0.54	0.39
Tax provision for the year (Actual) Higher of (J or L)	M	11.14	9.12	7.81	2.28	0.54	0.39

*Data for period ended December 31,2009 is based on interim period figures not on Income Tax returns filed

ANNEXURE XVIII
DETAILS OF DIVIDEND PAID BY THE COMPANY
(Rs. In millions)

Particulars	For Year ended				
	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
No.of Equity Shares of Rs.100 each		196,687	189,661	189,661	177,018
No.of Equity Shares of Rs.10 each	19,668,700				
Rate of Dividend	1%	1%	1%	1%	1%
Amount of Dividend	196,687	196,687	189,661	189,661	177,018
Dividend Tax	33,437	33,427	31,713	27,074	24,827
Total Payout	230,124	230,114	221,374	216,735	201,845

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2005, 2006, 2007, 2008 and 2009 and for the nine months period ended December 31, 2009, in the section titled "Financial Statements" beginning on page 145 of this Red Herring Prospectus. You are also advised to read the chapter titled "Risk Factors" beginning on page xii of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and result of operations and cash flows. The following discussion relates to our company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act, 1956 and the SEBI Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

For "Our Business" please refer to page 58 of this Red Herring Prospectus.

Material Developments after December 31, 2009 that may affect our future Results of Operations

In compliance with AS-4, to our knowledge no circumstances save and except as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

Further, our Directors hereby state that in their opinion, there is no material development after the date of the last financial statements disclosed in this Red Herring Prospectus which is likely to materially and adversely affect or is likely to affect the trading or profitability of our Company or the value of our assets, or our ability to pay our liabilities within the next twelve months.

Factors Affecting Our Results of Operations

Our financial condition and results are affected by numerous factors including the following:

Brand Image

The recognition and acceptance of our brand has significantly contributed to the success of our business. Our business is significantly dependent on the continued establishment and promotion of our brand through which we offer our service offerings. Promoting and positioning our brand largely depends on the success of our marketing efforts and our ability to provide a consistent, high-quality customer experience. If we are unable to respond in a timely and appropriate manner to changing consumer demand, our brand name and brand image may be impaired.

Competition

We believe that we can sustain any pressure from our direct competitors. Health and Fitness industry is highly fragmented with presence of many global, regional, local and unorganized sector players. There are different players that compete with us in various market segments. With our long presence, vast experience and capabilities to retain our customers due to our personalized services and competitive pricing, we are confident of facing competition.

Pricing Pressures

Since the company is operating in a highly competitive environment and has to compete with national and international level established players of remarkable reputation there is always a pressure to correctly price the services of our Company.

Consumer Demographics

India has a very large population of over 1 billion people and a very large part of the population is comprised of middle-income consumers. Owing to strong GDP growth over the years, Indian consumers benefited from increases in their

level of disposable income. In relation to Health and Fitness industry, it is benefited from middle-income consumers the most, as it has enabled them to spend more on health, fitness, wellness and lifestyle.

Besides, there are changing attitudes among Indian consumers as they become more willing to spend their disposable income on “premium” health and fitness products. As Indian consumers become more demanding and more discerning about health and fitness, we will need to provide superior quality of services in order to appeal to them and this will create a need for more creative and affordable packages.

Ability to grow our number of health clubs and broaden the base of our customers

Our revenues are dependent on growth in number of our health clubs and broaden the base of our customers. We believe that our track record of quality of service has allowed us to establish long and stable relationships with several of our customers, and we have achieved revenue growth from increased sales to our customers. We seek to leverage our long term relationships with our existing customers to gain new customers. We also enter into competitive pricing structures with our new customers in the initial stages of our relationship to establish the rapport and may continue to do so in the future.

General Economic and Business Conditions

Our business performance is dependent upon national and global growth. India’s growth rate of Gross Domestic Product (GDP) was 6.7 per cent during 2008-09. The structure of India’s economy has changed over the last ten years with contribution of the services sector to GDP at well over 50 per cent of GDP in 2008-09.

For more information on these and other factors/developments which have or may affect us, please refer to chapters titled “Risk Factors”, “Industry Overview” and “Our Business” beginning on pages xii, 53 and 58 respectively of this Red Herring Prospectus.

Discussion on Results of Operations

Significant Accounting Policies:

(a) Basis of preparation of Financial Statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. The Management evaluates all recently issued or revised accounting standards on an on-going basis.

(b) Fixed Assets and Depreciation:

- Fixed assets are stated at original cost, net off tax/duty credits availed if any, less accumulated depreciation / amortisation. Assets acquired by way of slump sale are recorded at book value in the books of the transferor as on the date of transfer. Revenue expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of activity are treated as part of the fixed assets and capitalized. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.
- Depreciation on all fixed assets is provided pro-rata from / up to the date of acquisition / disposal using the straight line method at the rates prescribed by schedule XIV of the Companies Act, 1956.

(c) Provisions, Contingent Liabilities and Contingent Assets:

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

(d) Revenue Recognition:

- Income from Fees and subscriptions, recorded net of discounts and rebates have been recognised as income for the year irrespective of the period, for which these are received. However, the Fees receivable from existing

members as at the end of the year has been recognised as income for the year.

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

(e) Impairment of Assets:

An impairment loss is charged to the Profit & Loss account in the year in which the asset is identified as impaired.

(f) Employee Benefits:

• **Short Term 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. Any other payments under relevant labour statutes, wherever applicable, are reimbursed to the outsourced agencies and charged off to the Profit & Loss Account in the year of payment.

• **Post Retirement Benefits:**

There are no direct employees eligible for Gratuity/other retirement benefits. Any other payments under the relevant labour statutes, wherever applicable are reimbursed to the Outsourced Agency as and when applicable.

(g) Borrowing Cost:

- Borrowing costs that are attributable to the acquisition or construction are capitalized as part of cost of such asset till such time as the asset is ready for its intended use.
- Other Borrowing costs are charged off to Revenue account in the year in which they are incurred.

(h) Foreign Currency Transactions:

- Exchange differences are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate.
- Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are:
 - Upto March 31, 2008, recognized as 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.

(i) Earnings Per Share:

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

(j) Taxes on Income:

- Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred Tax Liability in accordance with the Accounting Standard -22 [AS-22] amounting to Rs.32.78 millions on account of the timing difference between the depreciation as per the Companies Act & Income Tax Act and the unabsorbed depreciation as per Income Tax Act had not been considered in the accounts in the previous years, the same has been adjusted against the Reserves brought forward by the Company. The Deferred Tax Liability of the current year amounting to Rs.11.16 millions has been charged to profits of the current year in accordance with the Accounting Standard -22 [AS-22].

(k) Investments:

The Company has classified all its investments as long-term. Long-term Investments are stated at cost.

(l) Cash Flow Statement :

- The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard (AS-3) on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.
- Cash and Cash Equivalents presented in the Cash Flow Statement consist of cash on hand and balance in Current Accounts with bank.

We have strengthened our internal controls for purchase of equipment and other assets to the satisfaction of both our Internal and Statutory Auditors. Significant progress was made in this regard during the year ended March 31, 2007 when we conducted physical verification at most of our branches. We carry out such physical verification of assets at regular intervals with the help of our Internal Auditors which help us in maintaining internal controls in our operations.

Summary of our Results of Operations

We will discuss our Results of Operations on a consolidated basis and thus, we set forth below a table showing comparative analysis of our consolidated Revenues, Expenditures, EBITDA, Profits Before Tax and Profits After Tax for the Fiscals 2006, 2007, 2008 and 2009 and for the nine months period ended December 31, 2009:

All the figures discussed below are in Rupees Million (rounded off to the nearest decimal) and all the percentages given below have been rounded off for the purpose of discussion.

PROFIT AND LOSS ACCOUNT	Period Ended Dec. 31, 2009		Year Ended Mar. 31, 2009		Year Ended Mar. 31, 2008		Year Ended Mar. 31, 2007		Year Ended Mar. 31, 2006	
	Amount	As %*	Amount	As %*	Amount	As %*	Amount	As %*	Amount	As %*
Income from Operations	485		592		382		221		102	
y-o-y growth in %			55%		73%		118%		20%	
Less:										
Personnel Cost	119	25%	160	27%	102	27%	71	32%	32	31%
Administrative & Other Expenses	135	28%	172	29%	88	23%	56	25%	24	24%
Selling & Marketing Cost	12	3%	27	5%	17	4%	10	5%	5	4%
Service Tax	44	9%	62	11%	41	11%	23	10%	9	9%
EBITDA	175	36%	171	29%	135	35%	61	27%	32	31%
Less:										
Interest & Finance Charges	67	14%	80	14%	43	11%	28	13%	17	17%
Depreciation	45	9%	46	8%	23	6%	15	7%	9	9%
Add:										
Other Income	3	1%	2	0%	3	1%	1	1%	1	1%
Profits Before Tax	66	14%	47	8%	71	19%	19	9%	6	6%
Tax	23	5%	11	2%	26	7%	7	3%	2	2%
Profits After Tax	43	9%	36	6%	46	12%	12	5%	4	4%
Extra Ordinary Items (net of taxes)			21		-0		-1			
Profits After Tax After Extra Ordinary Income	43	9%	57	10%	46	12%	11	5%	4	4%

* As % of Income from Operations

Our 'Income from Operations' has grown at a 3 Year CAGR (ending March 31, 2009) of 80% from Rs.102 million for the financial year ended March 31, 2006 to Rs.592 million for the financial year ended March 31, 2009. Our Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) has grown from Rs.32 million for the financial year ended March 31, 2006 to Rs.171 million for the financial year ended March 31, 2009 achieving a 3 Year CAGR (ending March 31, 2009) of 75%. Our Profits After Tax (PAT) has grown from Rs.4 million for the financial year ended March 31, 2006 to Rs.36 million (excluding extra ordinary income) for the financial year ended March 31, 2009 achieving a 3 year CAGR (ending March 31, 2009) of over 100%.

Review for the 9 month period ending December 31, 2009:

Revenues:

Income from Operations

We recorded Rs.485 million of revenues for the 9 month period ending December 31, 2009. Our operating revenues is comprised of the gross fees we earn from our owned health clubs and franchisee fees from the health clubs we have franchised.

Other Income

Our 'Other Income' is comprised of revenues from sale of juice, food and supplements, interest on Bank Term Deposits, etc. For the 9 month period ending December 31, 2009, our 'Other Income' is Rs.2.94 million.

Expenditures:

Personnel Cost

Our 'Personnel Cost' for the 9 month period ending December 31, 2009 is Rs.119 million which comprises of payments to outsourcing agencies from where we procure our manpower for our health clubs, director's remuneration and salaries. If measured as a percentage, it is 25% of our 'Income from Operations' for this period, vis-a-vis 27% that for the fiscal 2009.

Administrative & Other Expenses

Our 'Administrative & Other Expenses' for the 9 month period ending December 31, 2009 is Rs.135 million i.e. 28% of our 'Income from Operations'. This component primarily comprises of 'Rent' of Rs.58 million, 'Electricity & Fuel expenses' of Rs.37 million, 'Repairs & Maintenance' towards building, gymnasium equipments and machineries of Rs.4.4 million, and 'Professional Fees' of Rs.7.7 million. These expenses were 29% of our operating revenues for the fiscal 2009.

Selling & Marketing Cost

Our 'Selling & Marketing Cost' includes advertising expenses and business promotion expenses. We spent Rs.12 million towards these expenses for the 9 month period ending December 31, 2009 i.e. 3% of our 'Income from Operations'.

Service Tax

The Service Tax collected and paid for the 9 month period ending December 31, 2009 is Rs.44 million.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)

EBITDA for the 9 month period ending December 31, 2009 is Rs.175 million i.e. 36% of our operating revenues improved from 29% of that for the fiscal 2009. This improvement is due to improvement in business conditions and economies of scale.

Finance Cost

Our 'Finance Cost' for the 9 month period ending December 31, 2009 is Rs.67 million which comprised of interest on secured loans, unsecured loans and letter of credit, bank and credit card charges. The total 'Finance Cost' is 14% of our operating revenues earned during this period remaining unchanged as a percentage that of the previous fiscal.

Depreciation & Amortisation

Our 'Depreciation & Amortisation' for the 9 month period ending December 31, 2009 is Rs.45 million i.e. 9% of our operating revenues.

Profits After Tax

Our 'Profits After Tax' for the 9 month period ending December 31, 2009 is Rs.43 million i.e. 9% of our operating revenues vis-a-vis 6% in the previous fiscal 2009.

Net Worth

Our 'Net Worth' as on December 31, 2009 is Rs.392.38 million.

Contingent Liabilities

(Rs. in Millions)

Particulars	As on December 31, 2009
a. Income Tax Demands (net of amount paid in protest)	1.90
b. Bank Guarantee given on behalf of Joint Ventures	123.40
c. Claim from a landlord, appeal pending before the Judiciary	Not ascertainable*
d. Claim by Advertising agency [#]	0.66

*For further details please refer the chapter titled "Outstanding Litigations, Material Developments and Other Disclosures" on page 195 of this Red Herring Prospectus.

[#] 8800 GBP @Rs.75.03 (rate as on 31.12.2009); for further details please refer the chapter titled "Outstanding Litigations, Material Developments and Other Disclosures" on page 195 of this Red Herring Prospectus.

The 'Cash and Bank Balances' as on December 31, 2009 stood at Rs.90.08 million which represents unutilised monies out of the preferential allotment of Rs.185 million as on that date. Our Company intends to utilize these monies towards the planned roll out of health clubs for the Fiscal 2010.

Comparison of Fiscal 2009 with Fiscal 2008:

Income from Operations

Our operating revenues for the fiscal 2009 were Rs.592 million recording a y-o-y growth of 55%. We added 11 owned health clubs and 4 additional health clubs through joint venture and franchisee route during this fiscal which contributed towards this growth.

Other Income

Our 'Other Income' is comprised of revenues from sale of juice, food and supplements, interest on Bank Term Deposits, etc. For the year ended March 31, 2009, our 'Other Income' was Rs.2.21 million.

Expenditures:

Personnel Cost

Our 'Personnel Cost' for the year ended March 31, 2009 was Rs.160 million, i.e. 27% of our 'Income from Operations' for the fiscal 2009 remaining unchanged from the previous fiscal.

Administrative & Other Expenses

Our 'Administrative & Other Expenses' for the fiscal 2009 was Rs.172 million i.e. 29% of our 'Income from Operations'. For the fiscal 2009, this comprised 'Rent' of Rs.63 million i.e. 10.6% of our operating revenues, Electricity & Fuel expenses' of Rs.40 million i.e. 6.8% of our operating revenues, 'Repairs & Maintenance' towards building, gymnasium equipments and machineries of Rs.14 million i.e. 2.3% and 'Professional Fees' of Rs.23 million i.e. 3.8% of our operating revenues for this fiscal. These expenses amounted to 23% of our operating revenues for the fiscal 2008 i.e. an increase of 6% which was primarily due to increase in cost of rent and electricity expenses.

Selling & Marketing Cost

Our advertising and business promotion expenses for the year ended March 31, 2009 was Rs.27 million which as a percentage of our 'Income from Operations' was 5% vis-a-vis 4% that of the previous fiscal.

Service Tax

The amount of Service Tax collected and paid for the fiscal 2009 was Rs.62 million.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)

Our EBITDA for the year ended March 31, 2009 was Rs.171 million i.e. 29% of our operating revenues vis-a-vis 35% for the fiscal 2008. This decline in our earnings is attributable to the 6% increase in our 'Administrative & Other Expenses' as discussed above.

Finance Cost

We saw an increase in our 'Finance Cost' from 11% in fiscal 2008 to 14% in fiscal 2009. In absolute terms, the 'Finance Cost' for fiscal 2009 was Rs.80 million which comprised of interest on secured loans, unsecured loans and letter of credit, bank and credit card charges.

Depreciation & Amortisation

Our 'Depreciation & Amortisation' for the year ended March 31, 2009 was Rs.46 million i.e. 8% of our operating revenues vis-a-vis 6% that of in the previous fiscal. This is primarily due to depreciation attributable to increase in number of health clubs we operate.

Profits After Tax

Our 'Profits After Tax' before extra-ordinary income for the year ended March 31, 2009 was Rs.36 million, i.e. 6% of our operating revenues. We had an extra-ordinary income (gross) of Rs.28 million during this fiscal (Rs.21 million net of taxes), of which Rs.27 million was on account of sale of one of our properties at Ulsoor, Bangalore and another Rs.1 million was in the form of compensation for loss of business from one of our discontinued health club in Belgaum, Karnataka. Our 'Profits After Tax' after extra-ordinary income for the year ended March 31, 2009 was Rs.57 million, i.e. 10% of our operating revenues

Net Worth

Our 'Net Worth' as on March 31, 2009 was Rs.171 million.

Contingent Liabilities

		(Rs. in Million)
		As on March 31, 2009
a. Income Tax Demands (net of amount paid in protest)		1.90
b. Claim before Consumer Dispute Redressal Forum, Mumbai		Not ascertainable
c. Bank Guarantee given on behalf of Joint Ventures		124.55
d. Claim from a landlord, appeal pending before the Judiciary		Not ascertainable

Comparison of Fiscal 2008 with Fiscal 2007:

During the fiscal 2008 we floated a 50:50 joint venture with Pantaloon Retail (India) Limited under the name of 'Talwalkars Pantaloon Fitness Private Limited' for retailing of fitness/wellness related products and for the rendering of health and fitness related services. We floated another 50:50 joint venture with Palestra Enterprises Private Limited, for running health clubs in certain agreed cities under franchise from us with the name of 'Denovo Enterprises Private Limited'. This joint venture has invested 66.67% in 'Equinox Wellness Private Limited', our franchisee to commission gymnasiums at certain locations.

We purchased the business of running gymnasium at Chembur, Mumbai owned by M/s. Talwalkars Health Commune with effect from March 31, 2008. We also entered into an agreement with M/s. Club Business Systems for conducting gymnasium at Nungambukkam, Chennai for a period of 9 years.

Income from Operations

We recorded our operating revenues of Rs.382 million for the fiscal 2008 achieving a y-o-y growth of 73%. We added 12 owned health clubs (doubling ourselves to reach 24 owned health clubs at the end of this fiscal) and an additional health club through our joint venture during this fiscal which contributed towards this growth.

Other Income

For the year ended March 31, 2008, our 'Other Income' was Rs.2.86 million. Our 'Other Income' for the year comprised of revenues from sale of juice, food and supplements, foreign exchange gain, etc.

Expenditures:

Personnel Cost

Our 'Personnel Cost' for the year ended March 31, 2008 was Rs.102 million, i.e. 27% of our 'Income from Operations' for the fiscal 2008 while it was 32% that of the same in the previous fiscal i.e. an improvement of 5% in fiscal 2008.

Administrative & Other Expenses

Our 'Administrative & Other Expenses' for the fiscal 2008 was Rs.88 million i.e. 23% of our 'Income from Operations'. For the fiscal 2008, this comprised 'Rent' of Rs.27 million i.e. 7.1% of our operating revenues, Electricity & Fuel expenses' of Rs.20 million i.e. 5.2% of our operating revenues, 'Repairs & Maintenance' towards building, gymnasium equipments and machineries of Rs.7.4 million i.e. 1.9% and 'Professional Fees' of Rs.13 million i.e. 3.4% of our operating revenues for this fiscal. These expenses amounted to 25% of our operating revenues for the fiscal 2007 i.e. an improvement of 2% in fiscal 2008.

Selling & Marketing Cost

Our advertising and business promotion expenses for the year ended March 31, 2008 was Rs.17 million which as a percentage of our 'Income from Operations' was 4% vis-a-vis 5% that of the previous fiscal.

Service Tax

The amount of Service Tax collected and paid for the fiscal 2008 was Rs.41 million.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)

Our EBITDA for the year ended March 31, 2008 was Rs.135 million i.e. 35% of our operating revenues vis-a-vis 27% for the fiscal 2007. This improvement in our earnings is attributable to the 8% savings on all of our expenses as discussed above.

Finance Cost

Our 'Finance Cost' was 11% in fiscal 2008 and in absolute terms it was Rs.43 million which comprised of interest on secured loans, unsecured loans and letter of credit, bank and credit card charges. The corresponding figure for the previous fiscal was Rs.28 million being 13% of that year's operating revenues.

Depreciation & Amortisation

Our 'Depreciation & Amortisation' for the year ended March 31, 2008 was Rs.23 million i.e. 6% of our operating revenues vis-a-vis 7% that of in the previous fiscal.

Profits After Tax

Our 'Profits After Tax' for the year ended March 31, 2008 was Rs.45 million i.e. 12% of our operating revenues.

Net Worth

Our 'Net Worth' as on March 31, 2008 was Rs.117 million.

Contingent Liabilities

(Rs. in Million)

Particulars	As on March 31, 2008
a. Income Tax Demands (net of amount paid in protest)	-
b. Claim before Consumer Dispute Redressal Forum, Mumbai	Not ascertainable
c. Bank Guarantee given on behalf of Joint Ventures	122.55
d. Claim from a landlord, appeal pending before the Judiciary	Not ascertainable

Comparison of Fiscal 2007 with Fiscal 2006

Income from Operations

Our 'Income from Operations' was Rs.221 million for the fiscal 2007 doubling from Rs.102 million that in the fiscal 2006. We added 5 owned health clubs and 3 additional health clubs through our joint venture and franchisee route during this fiscal which contributed towards this growth.

Other Income

For the year ended March 31, 2007, our 'Other Income' was Rs.1.39 million. Our 'Other Income' for the year comprised of revenues from sale of juice, food and supplements, foreign exchange gain, etc.

Expenditures:

Personnel Cost

Our 'Personnel Cost' for the year ended March 31, 2007 was Rs.71 million, i.e. 32% of our 'Income from Operations' for the fiscal 2007 marginally changing from 31% that of the same in the fiscal 2006.

Administrative & Other Expenses

Our 'Administrative & Other Expenses' for the fiscal 2007 was Rs.56 million i.e. 25% of our 'Income from Operations' again a marginal change of 1% from the previous fiscal. For the fiscal 2007, this comprised 'Rent' of Rs.13 million i.e. 6% of our operating revenues, 'Electricity & Fuel expenses' of Rs.12 million i.e. 5.4% of our operating revenues, 'Repairs & Maintenance' towards building, gymnasium equipments and machineries of Rs.5.5 million i.e. 2.5% and 'Professional Fees' of Rs.10 million i.e. 4.5% of our operating revenues for this fiscal.

Selling & Marketing Cost

Our advertising and business promotion expenses for the year ended March 31, 2007 was Rs.10 million which as a percentage of our 'Income from Operations' was 5% vis-a-vis 4% that of the previous fiscal.

Service Tax

The amount of Service Tax collected and paid for the fiscal 2007 was Rs.23 million.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)

Our EBITDA for the year ended March 31, 2007 was Rs.61 million i.e. 27% of our operating revenues vis-a-vis 31% for the fiscal 2006.

Finance Cost

Our 'Finance Cost' was Rs.28 million i.e. 13% of our operating revenues in fiscal 2007. It comprised of interest on secured loans, unsecured loans and letter of credit, bank and credit card charges. The corresponding figure for the previous fiscal was Rs.17 million being 17% of that year's operating revenues.

Depreciation & Amortisation

Our 'Depreciation & Amortisation' for the year ended March 31, 2007 was Rs.15 million i.e. 7% of our operating revenues vis-a-vis 9% that of in the previous fiscal.

Profits After Tax

Our 'Profits After Tax' for the year ended March 31, 2007 was Rs.11 million.

Net Worth

Our 'Net Worth' as on March 31, 2007 was Rs.72 million.

Contingent Liabilities

(Rs. in Million)

Particulars	As on March 31, 2007
a. Income Tax Demands (net of amount paid in protest)	-
b. Claim before Consumer Dispute Redressal Forum, Mumbai	Not ascertainable
c. Bank Guarantee given on behalf of Joint Ventures	11.25
d. Claim from a landlord, appeal pending before the Judiciary	-

Liquidity and Cash Flow:

Net Consolidated Cash Flows as Restated

(In Rupees Million)

Particulars	Period Ended December 31, 2009	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Net cash from /(used in) Operating Activities	101.76	221.02	124.80	30.97
Net cash from /(used in) Investing Activities	(206.01)	(355.17)	(272.44)	(121.32)
Net cash from /(used in) Financing Activities	186.53	120.98	156.71	91.80
Net increase in Cash & Cash Equivalents	82.28	(13.17)	9.07	1.44

❖ **Cash Flows from Operating Activities**

Our cash flows before working capital changes over the years have grown proportionate to our revenues. Our working capital changes reflect our positions on receivables and payables for these years. Our net cash position from our operating activities has been positive in all the years / period under review.

❖ **Cash Flows from Investment Activities**

We had negative cash flows from / (used in) Investing Activities for the last three fiscals. This has been primarily due to addition to fixed assets of Rs.106.65 million in fiscal 2007, Rs.272.60 million in fiscal 2008, Rs.366.65 million in fiscal 2009 and Rs.205.94 million for the nine months period ended December 31, 2009. We have grown over 70% with regards to addition of owned health clubs in the last three fiscals. Our cash and cash equivalents have been negative for the fiscal 2009 despite positive cash flows from both operating and financing activities due to significant investment in fixed assets pertaining to our additional health clubs.

❖ **Cash Flows from Financing Activities**

We received proceeds from Fresh Issue of Rs.185 million during the period ended December 31, 2009. Besides, we had an additional borrowing during the nine months period ended December 31, 2009 in addition to the outstanding amount of Rs.490 million which was taken over by Union Bank of India from Axis Bank Limited. Prior to this take over we had sanctioned borrowing limits of Rs.640.30 million for the fiscals 2009 and 2008 and Rs.415.30 million as at the end of fiscal 2007 from Axis Bank Limited which had been used towards our expansion over these years. Against these borrowings in the last three fiscals we have been repaying borrowed amounts as per the terms of repayment.

Fixed Assets, Capital Work in Progress

Our Net Block as on December 31, 2009 is Rs.1,017 million comprising of furniture & fittings of Rs.404 million, gym equipments of Rs.331 million, electrical fittings of Rs.85 million, air-conditioners of Rs.66 million and office equipments of Rs.22 million. We have made investments in our health clubs which have grown in numbers over the years. Besides, there is immovable property of Rs.51 million as on December 31, 2009 which represents properties

owned by us and used for two of our health clubs. Intangible assets as on December 31, 2009 are Rs.49 million which denotes goodwill on account of businesses purchased by us.

Our Capital Work in Progress as on December 31, 2009 was Rs.173 million.

Investments

We have made investments of Rs.10 million towards 50% equity in Talwalkars Pantaloon Private Limited and Rs.5 million towards 50% equity in Denovo Enterprises Private Limited. Besides, we have given Share Application Money of Rs.25.98 million for further equity of Talwalkars Pantaloon Private Limited as on December 31, 2009.

Current Assets and Current Liabilities

Our Current Assets as on December 31, 2009 stood at Rs.239 million which comprised of Sundry Debtors of Rs.45 million, Loans and Advances of Rs.104 million and Cash and Bank balances of Rs.90 million. Loans and Advances primarily consist of deposits paid for the premises taken on lease for our health clubs and advance taxes paid. Our Current Liabilities as on December 31, 2009 was Rs.85 million which consists of liabilities for expenses Rs.31 million, duties and taxes payable Rs.37 million and liabilities for capital goods of Rs.17 million. Provisions of Rs.35 million as on December 31, 2009 are made for taxation and fringe benefit taxes. Current Asset Ratio as on December 31, 2009 is 2.81:1.

Secured Loans and Unsecured Loans

Secured Loans of Rs.600 million include Term Loans of Rs.466 million obtained from Union Bank of India and Acceptances of Rs.126 million. Unsecured Loans of Rs.313 million as Inter Corporate Deposits stood outstanding as on December 31, 2009.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign exchange risk, inflation and commodity risk. We are exposed to different degrees of these risks in the normal course of our business.

We are specifically exposed to market risk from changes in interest rates and foreign exchange fluctuation.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations. We currently have floating rate indebtedness and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. Moreover, the interest rates on certain of our indebtedness are subject to periodic resets. Please refer the chapter titled “*Financial Indebtedness*” beginning on page 190 of this Red Herring Prospectus. Upward fluctuations in interest rates would increase the cost of both existing and new debts. It may happen that in the current fiscal and in future periods our borrowings rise given our growth plans. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

Foreign Exchange Risk

Fluctuations in exchange rates may have direct impact on our business to the extent of equipments that we import. To the extent that our income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure we record. Our future capital expenditures, including equipment and machinery, may be denominated in currencies other than Indian rupees. Therefore, declines in the value of the rupee against such other currencies could increase the rupee cost of making such purchases. Any depreciation of the rupee against the currency in which we have an exposure will increase the rupee costs to us of servicing and repaying our expenditure and indebtedness.

Inflation

Although India has experienced fluctuation in inflation rates in recent years, inflation has not had a material impact on our business or results of operation.

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:

1. Unusual or Infrequent Events or Transactions.

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except, as detailed in the preceding paragraph and as described in the chapter titled “*Risk Factors*” beginning on page xii of this Red Herring Prospectus and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 177 of this Red Herring Prospectus.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as described in the chapter titled “*Risk Factors*” beginning on page xii of this Red Herring Prospectus and as described under this Chapter, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

4. Future changes in relationship between costs and revenues.

Other than as described in the chapter titled “*Risk Factors*” beginning on page xii of this Red Herring Prospectus and as described under this Chapter, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in net sales or revenues are due to increased sales volume, introduction of new products or services or increased sales prices.

Our increases in net sales are primarily due to increase in our number of health clubs and the base of members we serve.

6. Total turnover of each major industry segment in which our Company operates

We operate only in one segment which has been discussed in the chapter titled “*Industry Overview*” beginning on page 53 of this Red Herring Prospectus.

7. Status of any publicly announced new products or business segment

Other than as described in this Red Herring Prospectus, we do not have any new products or business segments.

8. Seasonality of Business

There is no seasonality in the business we operate.

9. Any significant dependence on a single or few suppliers or customers

We have a broad base of over 55,000 members and we do not have any dependence on any single customer or a set of customers for our business.

10. Competitive Conditions

We believe that we can sustain any pressure from our direct competitors. Health and Fitness industry in India is highly fragmented with presence of many global, regional, local and unorganized players. There are different

players that compete with us in various markets. Hence reliable/verifiable data for a comprehensive analysis of the competitive scenario is not available. However, with our long presence, vast experience and capabilities to retain our customers due to our personalized services and competitive pricing, we are confident of facing the competition.

FINANCIAL INDEBTEDNESS

As on March 15, 2010, the details of the Company's indebtedness are as follows:

LOANS FROM BANKS

(In Rupees Millions)

Particulars	Nature of Borrowing	Sanctioned Amount	As on March 15, 2010	Repayment Terms	Particulars of Interest	Security against Loans	Purpose	Restrictive Covenants	Shares pledged
Union Bank of India									
(Agreement dated 30th July 2009)									
	Term Loan	235.00	76.25	72 monthly instalments commencing from September 2009	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	Primary: - Exclusive first charge on entire current assets of the Company.	All Secured Loans taken for the purpose of funding capital expenditure towards rollout of Gyms and other passive infrastructure.	The Agreements with banks in relation to financial facilities sanctioned by them have certain restrictive covenants. A summary of certain significant restrictive covenants is as follows :	Nil
		490.00	382.03	72 monthly instalments commencing from January 2011	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	-Exclusive first charge on all fixed assets of the Company.		1. The company shall not be reconstituted without the Banks approval and otherwise the	Nil
		44.00	41.27	72 monthly instalments commencing from April 2010	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	Collateral: - Properties owned by the Company at Turner Road,		without the Banks approval and otherwise the bank shall reserve the right to continue the	Nil

					Bandra and Mangal Simran, Mundl	limit(s) to the reconstituted company depending on the merits of the issue.	
		769.00	499.55				
	Bank Cash Credit facility	7.50	7.03	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	- Mortgage of third party properties at Mahalaxmi and Tardeo.	2. The company will not declare dividend without permission of the bank.	Nil
	Acceptances	*	119.24	Prime Lending rate of the Bank + 0.25%. Current rate is 12% p.a.	- Personal guarantee of three Directors of the Company	3 No inter-se-transfer of funds within the transfer of the group, except for genuine trade transaction.	Nil
		776.50	625.82				

* the above sanctioned amount of Rs.769 millions includes sub-limit of acceptances

(In Rupees Millions)

PARTICULARS	Outstanding as on	Repayment Terms		Particulars of Interest	Purpose	Restrictive Covenants
	March 15, 2010	till Mar 31, 2010	2010-2011			
<u>A) Inter Corporate Deposit</u>						
a) Loans from Promoters	-					
b) Joint Venture/ Associates						
Better Value	1.45		1.45	Prime Lending rate	for rollout of	Nil

Brands Pvt Ltd				payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	new gyms	
Better Value Leasing & Finance Ltd	97.08		97.08	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for the purpose of the business of the Company or other matters beneficial to the business of the Company including rollout of gyms and related infrastructure.	Nil
Better Value Properties Pvt. Ltd	1.45		1.45	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Gawande Consultants Pvt. Ltd	36.13		36.13	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for the purpose of the business of the Company or other matters beneficial to the business of the Company including rollout of gyms and related infrastructure.	Nil
Popular Institute of Art Pvt. Ltd	7.35		7.35	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Popular Prakashan Pvt.Ltd	53.05		53.05	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms	Nil

Radhika Hotels Pvt. Ltd	12.79		12.79	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	/ health centers and capital expenditures, etc. incidental thereto. for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
Anfin Investment Pvt. Ltd.	24.16		24.16	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
	233.46	-	233.46			
c) Others						
Indian Cookery.com Pvt. Ltd	7.22		7.22	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
Sigmatograph Pvt. Ltd	2.04		2.04	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	primarily for rolling out new gyms / health centers	Nil
Supressa Graphics Pvt. Ltd	24.33		24.33	Prime Lending rate payable to Axis Bank (former Bankers to the	primarily for rolling out new gyms / health	Nil

				Company) Current rate is 14.75%	centers	
Tribhovandas Bhimji Zaveri & Bros.Pvt. Ltd	23.60		23.60	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for usage of the Company's business and primarily for rolling out gyms / health centers and capital expenditures, etc. incidental thereto.	Nil
Inhouse Productions Ltd	38.58		38.58	Prime Lending rate payable to Axis Bank (former Bankers to the Company) Current rate is 14.75%	for rollout of new gyms	Nil
	95.77	-	95.77			
Total (A)	329.23	-	329.23			
B) Loans from Directors, shareholders & their relatives						
a) Loans from Promoters	-	-	-			
b) Joint Venture/ Associates	-	-	-			
c) from Others	-	-	-			
Totalling to	329.23	-	329.23			

We certify that all the above loans (both secured and unsecured) have been utilised for the purpose for which they were raised.

Yours faithfully,
For SARAF GURKAR & ASSOCIATES,
Chartered Accountants,

S.L.SARAF
Partner
M.NO. 030866
Mumbai
March 26, 2010

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding litigations suits, civil or criminal prosecuting or proceedings against our Company, our Directors, our Promoters and our Group Companies before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and our Group Companies, except the following:

This chapter has been divided into nine parts:

- I. Contingent Liability**
- II. Outstanding litigations involving our Company**
- III. Outstanding litigations involving our Directors**
- IV. Outstanding litigations involving our Promoters**
- V. Outstanding litigations involving our Group Companies**
- VI. Outstanding litigations involving our Joint Ventures and Associate Company**
- VII. Penalties imposed in past cases for the last five years**
 - a) Our Company
 - b) Our Directors and Promoters
 - c) Our Joint Ventures and Associate Company
 - d) Our Group Companies
- VIII. Amounts owed to small scale undertakings**
- IX. Material Developments**

Summary Pending Litigation

Type of Proceedings	Number of cases	Amount to the extent quantifiable (Rs. in million)
Cases filed against our Company		
Money Recovery and other Civil Suit	2	0.97
Potential litigation	9	0.93
TOTAL	11	1.90
Cases filed by our Company		
Tax Cases	1	1.90
Money Recovery and other Civil Suit	3	Not Quantifiable
TOTAL	4	Not Quantifiable
Cases filed against our Directors		
Criminal Proceedings	1	Not Quantifiable
Civil Proceedings	3	Not Quantifiable

TOTAL	4	Not Quantifiable
Cases filed by our Directors		
NIL	NIL	NIL
Cases filed against our Promoters		
Criminal Proceedings	1	Not Quantifiable
Civil Proceedings	2	Not Quantifiable
TOTAL	3	Not Quantifiable
Cases filed by our Promoters		
Nil	Nil	Nil
Cases filed against our Group Companies		
Criminal Cases	1	Not Quantifiable
Consumer Cases	1	0.8
Potential Litigation	4	Not Quantifiable
TOTAL	6	Not Quantifiable
Cases filed by our Group Companies		
Criminal Cases	11	0.86
TOTAL	11	0.86
Cases filed against our Joint Ventures and Associate Companies		
Tax Cases	1	3.63
TOTAL	1	3.63
Cases filed against our Joint Ventures and Associate Companies		
Nil	Nil	Nil

I. Contingent liabilities as on December 31, 2009

(Amount in Rupees Million)

Particulars	As on December 31, 2009
Income Tax demands (net of amount paid in protest)	1.90
Bank Guarantee given on behalf of Joint Ventures	123.40
Claim from a landlord, appeal pending before the Judiciary	Not Ascertainable

II. Outstanding litigations involving Our Company

A. Cases filed against our Company

1. Money Recovery and other Civil Suits

- (a) ***WP No. 7527/2009 (LB BMP) filed by Mr. U.M Suresh Rao ('Petitioner') against the State of Karnataka ('Respondent No 1'), Bangalore Development Authority ('Respondent No 2'), Brihan Bangalore Mahanagar Palike ('Respondent No 3') V.M.M Trust ('Respondent No 4') and our Company in the High Court of Bangalore, Karnataka under Article 226 of the Constitution of India.***

A writ petition being WP No 7527/2009 (LB BMP) has been filed by the Petitioner in the High Court of Bangalore, Karnataka under Article 226 of the Constitution of India against the Respondent No 1, Respondent No 2, Respondent No 3, Respondent No 4 and our Company contesting the legality of commercial use by our Company, for setting up and operating a gymnasium at property situated at 370, 11th Main, 3rd Block, Koramangala, Bangalore which has been leased to our Company by Respondent No.3 pursuant to registered lease deed dated June 13, 2008 ('disputed property').

The Petitioner who resides in the plot opposite the disputed property, has filed the Writ petition *inter alia* on the alleged grounds that :-

- 1) the disputed property is a residential plot which falls in an area classified as "residential" under the Comprehensive Development Plan, under the Karnataka Town And Country Development Act, 1961 ('KTCDA') and hence cannot utilize the same for commercial purposes;
- 2) although the disputed property falls within the "Mutation Corridor" more specifically stipulated in the Zoning Regulations, 2007, which permits use of property for commercial purposes in terms of the Revised Master Plan, 2015 ('Revised Master Plan') as approved by Government Order No UDD. 540 BEM AASC dated June 22, 2007 promulgated under the KTCDA; the residential building on the disputed property does not adhere to the requirements of the Revised Master Plan and the regulations so as to permit use for commercial activities;
- 3) The disputed property which is being utilized by our Company for running of a gymnasium, cannot be utilised for any purpose other than residential purpose, without the Respondent Nos 4 and/or our Company applying for the necessary 'No Objection' from the planning authorities in conformity with the necessary laws, rules and regulation;
- 4) In spite of the Respondent No 2 and Respondent No 3 being notified, informed and requested by the Petitioner and other residents, to act to ensure compliance with the law, they have failed to take action/initiate steps to restrain Respondent Nos. 4 and our Company from undertaking commercial activities on the disputed property and have on the contrary allowed the Respondent Nos 4 and 5 respectively to clandestinely use the disputed property for non-residential purposes;

The Petitioner has prayed for the issue by the High Court of a Writ of Mandamus directing Respondent Nos 2 & 3 respectively

- (i) to initiate action against and to prevent Respondent No 4 and our Company for undertaking commercial activity on the disputed property, and to demolish the building constructed on the disputed property
- (ii) to declare the disputed property as a 'residential property'

Further the Petitioner has prayed for interim relief directing Respondent No 4 and our Company not to use the disputed property for any purpose other than residential, pending disposal of the writ petition. Our Company in response has filed its Counter Affidavit denying the allegations made by the Petitioner and further asserting that in terms of present regulations including the KTCDA, it is not required to obtain/apply for a No Objection for change in land use.

By its order dated March 26, 2009 the High Court has directed our Company not to put to use the disputed property for any purpose other than residential, whereafter our Company preferred Miscellaneous Application No 3254 of 2009 for setting aside of the said order. By its order dated April 3, 2009 the High Court has rejected our Company's Miscellaneous Application. Apprehending institution by our Company of a writ

appeal challenging dismissal of the miscellaneous application and seeking ex-parte orders, the Petitioner has also a caveat petition before the High Court.

The High Court of Karnataka at Bangalore *vide* its order dated December 15, 2009 has disposed of the writ petition directing the Respondent Nos. 2 and 3 (i) to consider the petitioner's representation dated January 27, 2009 and (ii) to consider the request of Respondent Nos. 4 and 5 for change of use of property in question from residential to commercial in accordance with law. Further, till appropriate orders are passed by the Respondent Nos. 2 and 3, the interim order dated March 26, 2009 confirmed by order dated April 03, 2009 shall continue as directed by the High Court *vide* its order dated December 15, 2009.

The case currently pending for execution of the order dated December 15, 2009 passed by the High Court.

(b) *Original Suit No. 575 of 2007 filed before the III Additional Chief Judge, City Civil Court at Hyderabad, filed by Mr. Anand Reddy and other (Plaintiffs) against our Company.*

Plaintiffs are the joint owners of the premises situated at Road No. 10, Banjara Hills, Hyderabad. Our Company is the tenant in respect of ground floor on a monthly rent of Rs. 0.18 million, from where our Company operates its health club. On June 12, 2007, the plaintiffs issued a notice to our Company terminating the tenancy of our Company demanding to vacate the said premises at the end of the notice period, failing which the plaintiff demanded that they would be entitled to claim damages for use and occupation of the said premises at Rs. 0.62 million per month. The Plaintiffs, allegedly on non compliance of the said notice filed the above Original Suit No. 575 of 2007 before the III Additional Chief Judge, City Civil Court at Hyderabad for eviction of our Company from the said premises and claiming of Rs. 0.35 million for using the property from the date of the notice till filling of the suit and Rs. 0.62 million as damages for use and occupation of the said premises till the date of eviction. The matter is pending for hearing.

2. *Potential Litigation*

(a) *Notice dated July 14, 2009 issued to our Company by Balfour International Group, Legal Division.*

The notice as mentioned above was issued by the legal division of Balfour International Group, alleging payment of 8800 GBP along with an interest @5% from the date of it becoming due till actual payment, 40,000 GBP towards damages for loss of profits and loss of reputation and for legal fees totalling to 425 GBP, to be made by our Company to Balfour International Group. The said amount was demanded on the basis of the alleged breach of the contract of advertising dated June 19, 2008, entered into between our Company and Balfour International Group, on the basis of which Balfour International Group was to display the details of our Company for a period of 375 minutes of airtime in an event scheduled on October 21, 2008 till November 04, 2008. Further a letter dated July 29, 2009 was issued by Balfour International Group to our Company asking us to reply to the abovementioned letter. *Vide* letter dated August 03, 2009, our Company replied to Balfour International Group, requesting them to waive off the notice as mentioned above and relieve us from the said contract.

Subsequently, a legal notice has been issued to our Company by Windsor May LLP *vide* letter dated February 10, 2010 on behalf of Balfour International Group stating that if our Company fails to make the outstanding payment of GBP £8,800 failing which an immediate appropriate legal action shall be taken against our Company. Thereafter there has been no communication. This may give rise to prospective litigation.

(b) *Show cause notice dated October 20, 2009 issued by the Senior Labour Inspector, Bangalore.*

Our Company's gymnasium at J. P Nagar Bangalore received a show cause notice dated October 20, 2009 from the Senior Labour Inspector, Bangalore alleging violations under Karnataka Shops and Commercial Establishment Act, 1961, Minimum Wages Act, 1948, Contract Labour (Regulation and Prohibition) Act, 1974 and Payment of Gratuity Act, 1972. Our Company has been called upon to show cause within 5 days, as to why our Company should not be prosecuted in the Competent Court of law for the aforesaid violation. The matter is pending before the Senior Inspector for hearing.

Our Company *vide* its letter dated November 04, 2009 submitted the required documents. Our Company has not received any communication thereafter.

(c) *Notice no. I.T. 0. 2(3)(3)/Recovery/2009-10 dated December 10, 2009 issued by the Income Tax Officer 2(3)(3), Mumbai*

Our Company received the above notice alleging failure to pay demand of Rs. 9.31 million under section 143(1) of the I.T. Act dated June 22, 2009 for the assessment year 2008-2009 and asking us to furnish a copy of the challan within 7 days from the date of the receipt of this notice. Further, it also stated that, in case the demand is not paid, our Company shall be required to pay the entire demand immediately and produce the copy of the challan on December 17, 2009 at 2 pm, failing which, appropriate action for enforcement recovery will be initiated without any further communication in this matter and non payment of the demand would also result in charging of interest under section 220(2) and initiation of penal proceedings under Section 221 of the IT Act. Our Company is in process of filing its reply to the said notice.

(d) Letter dated July 29, 2009 received by our Company's health club at Ahmedabad from Dynamic House.

Our Company, with regards to our health club at Ahmedabad, received a letter dated July 29, 2009 from Dynamic House a proprietary concern, alleging disturbance in the premise they occupy below the premise of our health club, in terms of sounds of shifting of furniture and throwing of heavy equipments, and other apparatuses, loud music and humming of heavy equipments, and damage to the property and their business. Further, our health club was asked to exercise constraints as regards to movement of staff, clients, furniture and equipments and if this matter is not taken care of, it may compel them to take serious steps against us.

Subsequently, our Company has received a notice dated December 24, 2009 from Little Law & Co. Advocate and Legal Advisors, for their client 'Dynamic House' on this subject of alleging disturbance due to heavy sound of shifting and throwing of heavy equipments and other apparatuses, loud music, and humming of heavy equipments there by causing serious damage to their property and also disturbing routine business of his clients in peak hours of evening and early morning and requesting our Company to take serious note of the same and comply with request of his client at the earliest, incase of failure to comply with the same, legal action like compensation for damage to the property, false ceiling, furniture, interior decoration amounting to approximately Rs. 250,000/- and loss of business in addition to civil and criminal complaint for mental harassment, including cost of repairing, damages, compensation and costs of the case, will be initiated against our Company.

Our Company is in the process of replying to the above notice.

(e) Compounding notice bearing no. OW No. 212/10 dated March 13, 2010 issued by Office of the Deputy Labour Inspector, 29th Circle, Chennai under Tamilnadu Shops and Establishment Act, 1947 and Rules.

Our company and Talwalkars, its Promoter-Directors have received the above notice for alleged breach under section 45 read with rule 18 of the Tamilnadu Shops and Establishments Act, 1947 for not producing the following documents for inspection on December 15, 2010:

- i. Form S – under rule 16(4)(a) showing working time of the workers;
- ii. Duty Register in Q – under Rule 16(1) and 16(b);
- iii. Form R – under Rule 11(5) and 16 (b) for Salary Register;
- iv. Register T – under Rule 11(6) salary chits with signature of worker;
- v. Form P – under Rule 13(4) and 16 B - Fine and advance deduction; and
- vi. Inspection Register - under Rule 16(ii) and 16 B

Further, our Company and our Promoters have been asked to show cause as to why a suit should not be filed within 7 days from the receipt of this notice.

(f) Inspection Order no. 40/2010-10-1 dated February 05, 2010 issued by Office of the Deputy Labour Inspector, 19th Circle, Chennai.

Our company has received the above notice for alleged breach for not producing the following documents for inspection on January 28, 2010 and submission of the same:

The Tamilnadu Shops and Establishments Act, 1947 and rules:

- i. Section 11(1) – shop's weekly holiday information
- ii. Rule 11(4) and rule 13(4) read with rule 16B – advance amount / penalty loss deduction for the Register of employment Form P
- iii. Duty Register in Q – under Rule 16(1) and 16(b);
- iv. Form R – under Rule 11(5) and 16 (b) for Salary Register;
- v. Form S – under rule 15(4)(a) read with 16(4)(a) showing working time of the workers;
- vi. Register T – under Rule 11(6) read with rule 16B salary chits with signature of worker;
- vii. Form P – under Rule 13(4) and 16 B - Fine and advance deduction; and

- viii. Inspection Register - under Rule 16(ii) and 16 B
- The Tamilnadu Industrial Establishment (National and Festival Holidays) Act 1958 and rules:
- i. Section 3 read with rules 3(1) and (2) – form 1 and form no II showing 5 festival holidays given to the workers;
 - ii. Rule 3(5) - form III showing festival holidays approved by inspector;
 - iii. Section 4 read with rule 5(2) – form VI showing public festival holiday notice register;
- The Minimum Wages Act, 1948 and Tamilnadu Rules,
- i. Rule 3(1) and (2) - form A Muster roll for lady workers;
 - ii. Section 19 read with rule 15 - form J for delivery welfare act
 - iii. Rule 6 – form D equal wages rule
- The Tamilnadu workers welfare act, 1972 and rules.
- i. Rule 29(1) (a) – form B showing total salary records;
 - ii. Rule 29(1)(b) – form C paid salaries fine and other deduction's particulars
- In case of failure in producing the above documents a legal action will be taken against our Company.

(g) Notice issued by Karnataka Government Labour Department to our Company's property situated at Mysore, Karnataka.

Our Company has received the above notice on the basis of Inspection carried out on March 27, 2010 alleging violation of the following provisions of Karnataka Shops and Commercial Firms Act, 1961 and the rules framed thereunder:

- Registration Letter "C"
- Nn declaration of weekly holiday and submission of holiday schedule
- Register F does not mention wages
- Form H has not been given
- Report book not placed for inspection
- The appointment order of the employees is given in Form Q
- Joint register Form T was not submitted during Inspection
- Joint annual report Form U has not been submitted within stipulated period

Our Company has been directed to make available all the required submissions and registers and has been order to remain present before the Inspector on April 05, 2010, failure of which, legal proceedings would be initiated by the authority.

Further, the Karnataka Government Labour Department has also issued a notice to our Company having its property at Mysore, under Bonded Labour Act (Prevention and Prohibition), 1970, instructing our Company to produce the following documents before the Inspector on April 05, 2010:

- Form 14 – Employment Card
- Form 15 – Employees Attendance Book
- Form 16 – Employees Wages / Salary Receipt Book
- Form 21 – Account Book
- Form 21 – Penalties in the Book
- Form 13 – Additional work in book
- Form 22 – Continuance Book
- Form 19 – Copies of salaries / wages to be paid to the employees

The notice further states that failure to abide by the above instructions would lead to initiation of legal proceedings against our Company.

(h) Legal notice dated March 18, 2010 received from G. Balakrishna Prabhu, Mangalore instructed by Chandrashekar Sorake for our gymnasium at Mangalore.

Our Company for its Mangalore gymnasium received above notice alleging injury in the right knee of Chandrashekar Sorake, while working out under the guidance of the trainer, resulting in excruciating pain and agony and claiming 1,50,000/- towards the treatment and Rs. 5,00,000/- as compensation towards suffering. Further, vide this notice our Company has been called upon to do the needful within a period of 15 days, failing which necessary legal proceedings will be initiated against our Company.

- (i) **Notice bearing number OCT / 612783 / NDL / CC Sahar Cargo dated February 20, 2010 issued by Brihanmumbai Mahanagar Palika, Octroi Department.**

Our Company has been issued a notice bearing number OCT / 612783 / NDL / CC Sahar Cargo dated February 20, 2010 issued by Brihanmumbai Mahanagar Palika, Octroi Department calling upon to pay a sum of Rs. 28,240/- under the provisions of Rule 11(c) of Octroi Rules on the alleged ground that our Company had imported 4 packages at Sahar Cargo for immediate and direct export and obtained and exemption from octroi and same were not offered for examination and certification at the time and place of export. The notice further states that, failure to pay would invite legal action against our Company or the dues by the Company would be adjusted against the refund claims pending with the corporation.

B. Cases filed by our Company

1. Tax Cases

- (a) **Appeal filed to the Commissioner of Income Tax (Appeals)-XXX, Mumbai for the Assessment Year 2006-2007.**

The above appeal has been filed by our Company before the Commissioner of Income Tax (Appeals) – XXX, Mumbai challenging the assessment order passed by the Assessing Officer on November 26, 2008.

Assessing Officer *vide* the assessment order allegedly held that:

- i. our Company had taken a loan of Rs. 7.50 million from Better Value Leasing and Finance Limited. On perusal of the records regarding this loan, it was noticed that our Company has converted a loan amount of Rs. 2.50 million on May 31, 2005 and an amount of Rs. 5.00 million on November 28, 2006 into hire purchase finance transaction. As the same is done in contravention of section 269T of the Income Tax Act, Rs. 7.50 million be disallowed and add back to the total income of our Company and a penalty proceeding under section 271E and under section 271(1)(c) if the Income Tax Act be initiated against the same;
- ii. The depreciation claimed by our Company at Rs. 0.75 million on the assets purchased from the above loan of Rs. 7.50 million also needs to be disallowed as the assets do not belong to our Company. Further written down value of such assets as claimed by our Company in its block of assets, is further reduced by an amount of Rs. 6.75 million as the assets do not belong to our Company. Hence the total disallowance works out to Rs. 7.50 million which shall be added back to the total income of our Company and a penalty under section 271(1) (c) of the Income Tax Act be initiated against the same;
- iii. An interest amount of Rs. 0.72 million be disallowed under section 40 (a)(ia) of the Income Tax Act as there were no hire purchase transactions as such and a penalty under section 271(1)(c) of the Income Tax Act be initiated;
- iv. An amount of Rs. 0.05 million be disallowed as depreciation against any DG Set and add back to the total income of our Company due to failure on part of our Company to furnish any octroi/freight bills to show that the DG Set was purchased from Pune and was put to use on the same day and a penalty under section 271(1)(c) under the Income Tax Act to be initiated; and
- v. Disallowance of interest expenses of Rs. 0.05 million paid to Talwalkars Pantaloon Fitness Private Limited and penalty under section 271(1)(c) of the IT act be initiated.

Our Company filed the above appeal on the following grounds that :

- i. the assessing officer has erred in treating conversion of loan as repayment of loan;
- ii. the assessing officer has erred in holding that our Company has contravened section 269 T;
- iii. the assessing officer has erred in treating the amounts purported to have been paid in contravention of section 269T as income of our Company;
- iv. the assessing officer has erred treating HPF transactions as transaction of sale of assets;
- v. the assessing officer has erred in disallowing depreciation and WDV of such HPF of Rs. 7.5 million and adding the same to the income;
- vi. the assessing officer has erred in treating hire charges of Rs. 0.72 million as interest;
- vii. the assessing officer has erred making disallowance of Rs. 0.72 million under section 40(a)(ia) being interest paid without deduction of tax at source;
- viii. the assessing officer has erred in treating that no DG set was purchased and put to use;
- ix. the assessing officer has erred in disallowing depreciation on DG set of Rs. 0.05 million; and
- x. the assessing officer has erred in adding back interest of Rs. 0.05 million on the expenses incurred and receivable from company under the same management.

Our Company *vide* its letter dated March 19, 2009 has paid Rs. 0.90 million towards payment of demand as asked in the order dated March 05, 2009 by the Additional Commissioner of Income Tax 2(3), Mumbai. The Appeal is pending before the Commissioner of Income Tax (Appeals) – XXX, Mumbai.

2. ***Money Recovery and other Civil Suits***

(a) Original Suit No.366 of 2009 filed by M/s. A & W Promoters and Developers (“Plaintiff No. 1”) and our Company (“Plaintiff No. 2”) against the Corporation of City of Belgum (“Defendant”) before the IV Additional Civil Judge Junior Division, Belgaum.

Our Company was using the basement area admeasuring 402.27 sq.mt. for the gymnasium at building constructed in site bearing municipal no. 775, Khanapur Road, Angol, Tilakwadi, Belgum (“premises”). On October 17, 2008 the Defendant’s officials allegedly came to the premises, without giving any show cause notice and without giving any opportunity of being heard to our Company, locked the premises. Aggrieved from this act our Company approached the Commissioner, Corporation of City of Belgum and brought to his notice the said act. Commissioner assured to take action against the said act, However on repeated reminder no action was taken. Every time our Company approached the Defendants, they orally told that under section 461 of KMC Act, they have got a right to seal the premises and accordingly gave a notice in the month of December 2008.

Our Company along with Plaintiff No. 1 has filed the above suit praying :

- a. it be declared that the notice issued under section 461 of the KMC Act by the defendant and the action taken by the officials of the defendant as null and void;
- b. a mandatory injunction be granted directing the defendant, its officials or anybody acting on its behalf for opening the seal put to gymnasium;
- c. perpetual injunction be granted against the defendants, its men, servants, executors or assigns or any persons claiming under them from causing any sort of obstruction to our Company for running the gymnasium on said premises; and
- d. any such relief or reliefs deems fit and proper.

The Additional Civil Judge Junior Division, Belgaum *vide* order dated December 21, 2009 has dismissed the case directing both the parties to pay the expenditure separately to each other. However the Plaintiff No. 1 and 2 have filed an appeal against the aforesaid order before the Court of Civil Judge, *inter alia*, praying for setting aside the the aforesaid order.

(b) Original Suit filed by our Company (“Plaintiff”) against Mr. Anand Reddy and others (“Defendants”) before the Chief Judge, City Civil Court, Hyderabad.

The Suit has been filed against Mr. Anand Reddy and others before the Chief Judge, City Civil Court, Hyderabad under Order VII Rule 1 read with Section 26 of Code of Civil Procedure, 1908, for specific performance of registration of lease deed dated June 11, 2004.

The said lease deed was entered into between the Plaintiff and the Defendants, to grant a lease of the premises of Defendants situated at Banjara Hills, Hyderabad to the Plaintiff, for commercial purpose. The Plaintiff has contended in the suit that it was agreed by both the parties of the lease deed under clause 16 to register the said deed. The Plaintiff further contends that, the Defendants had failed to register the said deed during the lock-in period of three (3) years notwithstanding several request made by the Plaintiff to the Defendant. Subsequently, the Defendants have issued a notice of termination to the Plaintiff directing the Plaintiff to terminate the tenancy of the said premises.

The Plaintiff has *inter alia* prayed (i) directing the Defendants to present the lease deed dated June 11, 2004 for registration before the concerned sub registrar; (ii) any other relief to which the Plaintiff is entitled to and (iii) the costs of the suit.

The matter is pending before the City Civil Court, Hyderabad.

(c) Title suit filed by our Company (“Plaintiff”) against Mr. Srinath Daga, (“Defendent”) before the Court of Learned Civil (Senior Division) at Barast.

The suit has been filed against Mr. Srinath Daga before the Court of Learned Civil (Senior Division) at Barast for declaration and permanent injunction.

The Plaintiff had entered into a tenancy agreement with the Defendant on February 23, 2007 for occupying the premises situated at BE-72, Salt Lake City, Sector-I, Kolkata - 700 064. The Plaintiff states that, he received a letter dated January 08, 2010 from the Defendant informing the Plaintiff that the Defendant has received a notice from the Urban Development Department alleging that the premises is being used by the Plaintiff for commercial purposes which is against the law and that the Plaintiff is liable to vacate the said premises within ten days from the date of receipt of the aforesaid letter. The Plaintiff further states that it was agreed between the Plaintiff and the Defendant that the Defendant would take the responsibility of obtaining all necessary permissions from Bidhanagar Municipality and also from Urban Development Department, Government of West Bengal which the Defendant has failed to obtain.

The Plaintiff has *inter alia* prayed for (i) a decree for declaration that the Plaintiff is a monthly tenant under the Defendant of the said premises; (ii) a decree for declaration that the Plaintiff as tenant has got right to enjoy all rights and facilities arising out of the said tenancy of the entire premises; (iii) a decree for declaration that the Plaintiff is entitled to use and occupy the entire premises as tenants of the Defendants upon monthly payment of rent without being disturbed by the Defendants and their men, agents and servants and (iv) an order of permanent injunction restraining the Defendant and their men, agents and servants from creating any disturbance to the Plaintiff in peaceful enjoyment of his tenancy in respect of the said premises.

The matter is pending before the Court of Learned Civil (Senior Division) at Barast.

III. Outstanding litigations involving our Directors

A. Cases filed against our Directors

1. Criminal Proceedings

a. Mr. Madhukar Vishnu Talwalkar

Show cause notice bearing no. TN/D-5/InsIV/51-75746-101/902/3-10 dated March 15, 2010 from the Regional Director, Employee's State Insurance Corporation, Chennai

Our Promoter-Director Mr. Madhukar Talwalkar, has received the above show cause notice bearing no. TN/D-5/InsIV/51-75746-101/902/3-10 dated March 15, 2010 from the Regional Director, Employee's State Insurance Corporation, Chennai, for Club Business System (now a part of our Company) alleging failure to pay any amount of contribution for the period from January 2004 to September 2009 which were required to be paid within 21 days of the last day of the calendar month in which the contribution fall due under section 40 read with section 39, 42, 43 and the first schedule of the Act and the Regulation 31 of the ESI (General) Regulations and failure to submit the return of contribution in **quadruplicate in Form 6** alongwith he receipt copies of challans in respect of all your employees to the appropriate office of E. S. I. Corporation, within the period stipulated under Regulation 26 of the ESI (General) Regulation in respect of contribution period(s) ended March 2004, September 2004, March 2005, September 2005, March 2006, September 2006, March 2007, September 2007, March 2008, September 2008, March 2009 and September 2009. The above defaults are criminal offences under section 85 of the ESI Act read with Section 85-C thereof and the defaulter is liable to be prosecuted and punished Further, he has been asked to show cause as to why he should not be prosecuted.

2. Civil Proceedings

a. Mr. Vinayak Ratnakar Gawande

Demand Legal Notice no DLNCHARD/155440/2143/4477**6005 dated February 19, 2010 from ICICI Bank Limited, Mumbai***

Our Promoter Director Mr. Vinayak Gawande has received a demand legal notice dated February 19, 2010 from ICICI Bank, 248, RPG Towers, Andheri Kurla Road, J B Nagar, Andheri East, Mumbai for unpaid outstanding dues of Rs. 76672.00 in respect to credit card no 4477470138326005 alleging failure to pay as per monthly statement of account dated January 31, 2010 which was required to be paid after the expiry of seven days from the date of receipt of the abovementioned notice, failing which appropriate legal action will be initiated. Further *vide* letter dated March 05, 2010 Vinayak Gawande has denied the allegation and stated that allegation made upon him is not true and correct.

b. Mr. Girish Madhukar Talwalkar

Case no. MH/27956-A/PF filed by Smt. R. R. Bhalekar, Provident Fund Inspector, Mumbai before the Additional Chief Metropolitan Magistrate's, 47th Court at Esplanade, Mumbai against M/s. Talwalkar's Health Clubs, one of our Group Companies and Mr. Girish Madhukar Talwalkar, one of our Promoter Directors.

The above case is file by the Smt. R. R. Bhalekar, Provident Fund Inspector ("Complainant") against M/s. Talwalkar's Health Clubs, one of our Group Companies and Mr. Girish Madhukar Talwalkar, one of our Promoter Directors ("accused") alleging failure on part of the accused to submit a monthly consolidated statement in form no. 12-A every month within 25 days of the close of that month and the contribution cards in form no. 3A together with a statement in form 6A in respect of the member employed by the, at the end of each financial year within one month of the close of that financial year and therefore has committed offences under section 14(2) and 14A of the Employees Provident Fund Act read with para 76(b) of the Employees Provident Fund Scheme. The Complainant prayed for order under section 14C(1) of the Employees Provident Fund Act and order for payment of compensation under section 357 of the Code of Criminal Proceedings, 1973 to the Employees Provident Fund account no 2 maintained by State Bank of India. The case is pending before the Additional Chief Metropolitan Magistrate.

c. Mr. Manohar Gopal Bhide

Criminal Application no. 1109 of 2006 filed by Mr. Manohar Gopal Bhide, in his capacity of being a Director of Mahindra Shubhlabh Services Limited and others against State of Maharashtra before the High Court of Bombay.

The above application was filed by our Independent Director, Mr, Manohar Gopal Bhide quashing the criminal complaint filed by the authorities for violation of the provisions under the shops and establishment act before the high court of Bombay. The court has passed an order staying the said criminal complaint.

B. Cases filed by our Directors

Nil

IV. Outstanding litigations involving our Promoters

A. Cases filed against our Promoters

Except as stated in point III (A) (1) (a), (2) (a) and (2) (c) above filed against Mr. Madhukar Vishnu Talwalkar, Mr Vinayak Ratnakar Gawande and Mr. Girish Madhukar Talwalkar, respectively, there are no outstanding litigations filed against our Promoters.

B. Cases filed by our Promoters

Nil

V. Outstanding litigations involving our Group Companies

A. Cases filed against our Group Companies

1. Criminal Proceedings

a. M/s. Talwalkar's Health Clubs

Case no. MH/27956-A/PF filed by Smt. R. R. Bhalekar, Provident Fund Inspector, Mumbai before the Additional Chief Metropolitan Magistrate's, 47th Court at Esplanade, Mumbai against M/s. Talwalkar's Health Clubs, one of our Group Companies and Mr. Girish Madhukar Talwalkar, one of our Promoter Directors.

The above case is file by the Smt. R. R. Bhalekar, Provident Fund Inspector ("Complainant") against M/s. Talwalkar's Health Clubs, one of our Group Companies and Mr. Girish Madhukar Talwalkar, one of our Promoter Directors ("accused") alleging failure on part of the accused to submit a monthly consolidated statement in form

no. 12-A every month within 25 days of the close of that month and the contribution cards in form no. 3A together with a statement in form 6A in respect of the member employed by the, at the end of each financial year within one month of the close of that financial year and therefore has committed offences under section 14(2) and 14A of the Employees Provident Fund Act read with para 76(b) of the Employees Provident Fund Scheme. The Complainant prayed for order under section 14C(1) of the Employees Provident Fund Act and order for payment of compensation under section 357 of the Code of Criminal Proceedings, 1973 to the Employees Provident Fund account no 2 maintained by State Bank of India. The case is pending before the Additional Chief Metropolitan Magistrate.

2. Consumer Cases

Life Fitness India Private Limited

(a) Original Complaint no. 148/2004 filed by Ms. Vandana Arvind Kamat ("Complainant") against Talwalkar Fitness Fellowship ("Opposite Party No.1") and Talwalkar Gymnasium ("Opposite Party No.2") before the Consumer Dispute Redressal Forum, Bandra.

The said complaint has been filed by Ms. Vandana Arvind Kamat against Opposite Party No.1 and 2 alleging payment of a sum of Rs. 5,00,000 together with 18% interest from February 10, 2003 till payment of realisation towards the 25% disability and compression fracture L2 of the Spine due to the alleged negligence of the Opposite Party No.1 and 2 and Rs. 3,00,000 towards mental and physical agony suffered by the Complainant together with the legal expenses. The said alleged payment has been demanded, towards the weight loss programme the Complainant had opted for, on the basis of which she had joined the premises of Opposite Party no.1, as a result of which she faced 25% disability and compression fracture L2 of the Spine due to the alleged negligence of Opposite Party No.1 and 2. Further, Opposite Party No.1 and 2 filed their respective replies, separately, with the Consumer Dispute Redressal Forum, Bandra denying the allegations made in the abovementioned complaint. Thereafter the Complainant filed a rejoinder with the Consumer Dispute Redressal forum, Bandra. Thereafter *vide* order dated August 29, 2009, passed by the President of the Additional Consumer Dispute Redressal Forum, Bandra it was held that there is no privity of contract between the Complainant and Opposite Party No. 2 and that the Complainant should present the Complaint before the appropriate District Consumer Forum having territorial jurisdiction. Our Company has not received any further communication from the Complainant.

3. Potential Litigation

Better Value Leasing and Finance Limited

Tax cases

(a) Notice issued by Assistant Commissioner of Income Tax for the Assessment Year 2008 – 09.

A notice dated January 20, 2010 has been issued to Better Value Leasing and Finance Limited under Section 142(1) of the I.T.Act by the Assistant Commissioner of Income Tax to appear and produce documents for the assessment year 2008-09. The matter is pending before the Assistant Commissioner of Income Tax.

Better Value Restaurants Private Limited

Tax cases

(a) Notice issued by Assistant Commissioner of Income Tax for the Assessment Year 2008 – 09.

A notice dated January 18, 2010 has been issued to Better Value Restaurants Private Limited under Section 142(1) of the I.T.Act by the Assistant Commissioner of Income Tax to appear and produce documents for the assessment year 2008-09. The matter is pending before the Assistant Commissioner of Income Tax.

Gawande Consultants Private Limited

Potential Litigation

Tax cases

(a) Notice issued by Assistant Commissioner of Income Tax for the Assessment Year 2008 – 09.

A notice dated January 18, 2010 has been issued to Gawande Consultants Private Limited under Section 142(1) of the I.T. Act by the Assistant Commissioner of Income Tax to appear and produce documents for the assessment year 2008-09. The matter is pending before the Assistant Commissioner of Income Tax.

Brainworks Learning Systems Private Limited

Tax Cases

(a) Notice dated April 03, 2010 issued to Brainworks Learning Systems Private Limited by Sales Tax Officer.

A notice dated April 03, 2010 issued to Brainworks Learning Systems Private Limited by Sales Tax Officer under Section 64 of the Maharashtra Value Added Tax Act, 2002 requiring Brainworks Learning Systems Private Limited to produce documents before the Sales Tax Officer. The notice further states that if Brainworks Learning Systems Private Limited fails to comply with requisition, it shall be prosecuted for an offence under the Maharashtra Value Added Tax Act, 2002 with an imprisonment and fine.

B. Cases filed by our Group Companies

1. Criminal Cases

Better Value Leasing and Finance Limited ("BVLFL")

(a) Criminal Complaint no 12634/SS of 2008 filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi, before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai

Better Value Leasing and Finance Limited has filed a criminal complaint bearing number 12634/SS of 2008 u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai in respect of dishonour of three cheque bearing numbers 126511 dated May 17, 2008, 126512 dated June 17, 2008 and 126513 dated July 17, 2008 each amounting to Rs. 11,433/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai.

(b) Criminal Complaint no 12635/SS of 2008 filed by Better Value Leasing and Finance Limited against Mr. Mayur Bhole, before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai

Better Value Leasing and Finance Limited has filed a criminal complaint bearing number 12635/SS of 2008 u/s 138 of the Negotiable Instruments Act, 1881 against Mr. Mayur Bhole before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai in respect of dishonour of three cheque bearing numbers 627497 dated June 08, 2008, 628803 dated July 08, 2008 and 628804 dated August 08, 2008 each amounting to Rs. 7,621/- drawn on the Kurla Nagrik Sahakari Bank Limited, Govandi, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai.

(c) Criminal Complaint no 1400564/SS of 2009 filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and another, before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai

Better Value Leasing and Finance Limited has filed a criminal complaint bearing number 1400564/SS/09 u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and another before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai in respect of dishonour of three cheque bearing numbers 101123 dated June 29, 2008, 101124 dated July 29, 2008 and 101128 dated November 29, 2008 each amounting to Rs. 8,574/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai.

- (d) ***Criminal Complaint no 1400565 /SS of 2009 filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and others, before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai***

Better Value Leasing and Finance Limited has filed a criminal complaint bearing number 1400565/SS/09 u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and others before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai in respect of dishonour of three cheque bearing numbers 126514 dated August 17, 2008, 126515 dated September 17, 2008 and 126516 dated October 17, 2008 each amounting to Rs. 11,433/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 33rd Court at Ballard Pier, Mumbai.

- (e) ***Criminal Complaint filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and another, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai***

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and another before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque bearing numbers 101133 dated April 29, 2009, 101134 dated May 29, 2009 and 101135 dated June 29, 2009 each amounting to Rs. 8,574/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

- (f) ***Criminal Complaint filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and another, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai***

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and another before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque bearing numbers 101130 dated January 29, 2009, 101131 dated February 28, 2009 and 101132 dated March 29, 2009 each amounting to Rs. 8,574/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

- (g) ***Criminal Complaint filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and another, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai***

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and another before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque, two cheques bearing numbers 147337 dated July 10, 2009 and 126540 dated July 10, 2009, each amounting to Rs. 8,574/-, drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai and one cheque bearing number 276299 dated July 10, 2009 amounting to Rs. 8,574/- drawn on Shamrao Vithal Co-op Bank Limited, Chembur, paid towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

- (h) ***Criminal Complaint filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and another, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai***

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and another before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque bearing numbers 126520 dated February 17, 2009, 126521 dated March 17, 2009 and 126522 dated April 17, 2009 each amounting to Rs. 11,433/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the

hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

(i) Criminal Complaint filed by Better Value Leasing and Finance Limited against Mrs. Manjiri Madhusudhan Joshi and others, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mrs. Manjiri Madhusudhan Joshi and others before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque bearing numbers 147332 dated July 10, 2009, 147333 dated July 10, 2009 and 147334 dated July 10, 2009 each amounting to Rs. 11,433/- drawn on the Mumbai District Central Co-op Bank Limited, Chembur, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

(j) Criminal Complaint filed by Better Value Leasing and Finance Limited against Mr. Suresh Menon and others, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mr. Suresh Menon and others before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque bearing numbers 002140 dated April 03, 2009, 902150 dated May 03, 2009 and 002151 dated May 06, 2009 each amounting to Rs. 74,428/- drawn on the Axis Bank Limited, Fort, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

(k) Criminal Complaint filed by Better Value Leasing and Finance Limited against Mr. Suresh Menon and others, before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai

Better Value Leasing and Finance Limited has filed a criminal complaint u/s 138 of the Negotiable Instruments Act, 1881 against Mr. Suresh Menon and others before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai in respect of dishonour of three cheque bearing numbers 902152 dated July 03, 2009, 902153 dated August 03, 2009 and 902154 dated September 03, 2009 each amounting to Rs. 74,428/- drawn on the Axis Bank Limited, Fort, Mumbai towards the hiring charges in favour of BVLFL. The case is currently pending before the Additional Chief Metropolitan Magistrate 14th Court at Girgaum, Mumbai.

Tax Cases

Better Value Leasing and Finance Limited

(a) Appeal bearing number 266 filed by Better Value Leasing and Finance Limited (the “Appellant”) against the Assistant Commissioner of Income Tax before the Commissioner of Income Tax (Appeals) - II, Mumbai for the Assessment Year 2007-2008.

An appeal has been filed bearing number 266 by the Appellant for the Assessment Year 2007-08 before the Commissioner of Income Tax (Appeals) – II, Mumbai against the assessment order dated December 09, 2009 passed by the Assistant Commissioner of Income Tax for disallowance under Section 14A of I.T Act read with Rule 8D of I.T. Rules and Section 94(7) of the I.T. Act and accordingly notice of demand was issued to the Appellant under Section 156 of the I.T Act refunding a sum of Rs. 15,63,086/- and Rs. 47,336/- (vis-à-vis Fringe Benefit Tax).. However, the Appellant has filed the aforesaid appeal on the grounds that the Assessing Officer has erred in disallowing under Section 14A of I.T Act read with Rule 8D of I.T. Rules. The case is pending before the the Commissioner of Income Tax (Appeals) - II, Mumbai.

Gawande Consultants Private Limited

(b) Appeal bearing number 267 filed by Gawande Consultants Private Limited (the “Appellant”) against the Assistant Commissioner of Income Tax before the Commissioner of Income Tax (Appeals) - II, Mumbai for the Assessment Year 2007-2008.

An appeal has been filed bearing number 267 by the Appellant for the Assessment Year 2007-08 before the Commissioner of Income Tax (Appeals) – II, Mumbai against the assessment order dated December 09, 2009

passed by the Assistant Commissioner of Income Tax for disallowance under Section 14A of I.T Act read with Rule 8D of I.T. Rules and accordingly notice of demand was issued to the Appellant under Section 156 of the I.T Act refunding a sum of Rs. 5,59,230/- and Rs. 13,638/- (vis-à-vis Fringe Benefit Tax). However, the Appellant has filed the aforesaid appeal on the grounds that the Assessing Officer has erred in disallowing under Section 14A of I.T Act read with Rule 8D of I.T. Rules. The case is pending before the the Commissioner of Income Tax (Appeals) - II, Mumbai.

VI. Outstanding litigations involving our Joint Ventures and Associate Company

A. Cases filed against our Joint Ventures and Associate Company

1. Labour Cases

- (a) *Application No. PWA 21/08 filed before Senior Officer, Jaipur , under section 15(2) of Payment of Wages Act, 1936 by Nitesh Shukla ("Applicant") against Managing Director/CEO of Multicare Services India Private Limited ("Multicare") and Managing Director/CEO of Denovo Enterprises Private Limited ("Denovo"), (collectively referred to as "Respondents")*

Applicant filed the above application alleging non payment of Rs. 155,600.50 by the Respondents pursuant to resignation by him on March 04, 2008 and claimed payment of Rs. 155,650/- towards the daily wages, Rs. 1,556,500/- towards compensation and Rs. 5000/- towards legal expenses. Respondents vide their reply have denied all demands and allegations made by the Applicant in the said application. The Judicial officer, Jaipur, passed an ex-parte order dated June 12, 2009 ordering the Respondents to pay to the Applicant a sum of Rs. 2,99,640 towards payment of wages and overtime and compensation. Denovo, filed an application under order 9 rule 13 of the civil procedure code before the Judicial Officer, Jaipur, for setting aside above impugned order and providing Denovo a fair chance of hearing. The Application is pending hearing

B. Cases filed by our Joint Ventures and Associate Company

1. Tax Cases

- (a) *Miscellaneous Appeal filed by Talwalkar Pantaloon Fitness Private Limited ("TPFPL") against Nagpur Municipal Corporation, through its Commissioner, Nagpur and others before the District and Sessions Judge, Nagpur.*

TPFPL has filed the above appeal challenging the bill for penal octroi duty issued –by Assistant Commissioner (Octroi) dated July 10, 2008 as well as the notice of demand issued by the same authority dated July 30, 2008 whereby the Commissioner has called upon TPFPL to pay a sum of Rs. 3.63 million /- towards the payment of octroi duty and penalty as contemplated and issued under the provisions of Section 144/1 and 2 read with section 324 of the City of Corporation Act, 1948 for allegedly trying to evade the octroi duty and finding five tradmills in excess of the declared goods and price of the sum of Rs. 1.21 million and therefore reducing the assessment of the value in sum of Rs. 1.78 million. The said demand was confirmed by the Additional Deputy Municipal Commissioner by its order dated September 10, 2008. The appeal is pending before the court for hearing.

VII. Penalties imposed in past cases for the last five years

A. Our Company

Nil

B. Our Directors

Nil

C. Our Promoters

Nil

D. Our Group Companies

Nil

E. Our Joint Ventures

Nil

VIII. Amounts Owed to small scale undertakings

Amount owed to small scale undertakings and other creditors is not determined.

IX. Material developments after December 31, 2009

In compliance with AS-4, to our knowledge no circumstances, save and except as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

Further, our Directors hereby state that in their opinion, there is no material development after the date of the last financial statements disclosed in this Red Herring Prospectus which is likely to materially and adversely affect or is likely to affect the trading or profitability of our Company or the value of our assets, or our ability to pay our liabilities within the next twelve months.

GOVERNMENT AND OTHER APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required to undertake this Issue, for our present business and carrying on our business activities. Further, except as mentioned hereinbelow, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the chapter titled “*Objects of the Issue*” beginning on page 33 of this Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus.

Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

The Board of Directors has, pursuant to resolution passed at its meeting held on November 09, 2009 authorised the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary.

The shareholders of the Company have, pursuant to a resolution dated November 09, 2009, under Section 81(1A) of the Companies Act, authorised the Issue.

The Company has obtained in-principle listing approvals dated February 05, 2010 and January 28, 2010 from the BSE and the NSE, respectively.

The Company has also obtained necessary contractual approvals required for the Issue.

Approvals for the Business

We require various approvals to carry on our business in India. The approvals that we require include the following:

I. GENERAL

1. Certificate of Incorporation dated April 24, 2003 issued to our Company by Assistant Registrar of Companies, Mumbai, Maharashtra, bearing the name “Talwalkars Better Value Fitness Private Limited” with CIN U92411MH2003PTC140134.
2. Fresh Certificate of Incorporation dated November 07, 2009 issued by the Assistant Registrar of Companies, Mumbai, Maharashtra pursuant to the change of name from “Talwalkars Better Value Fitness Private Limited” to “Talwalkars Better Value Fitness Limited” with CIN U92411MH2003PLC140134.
3. Our Company’s PAN (Permanent Account Number) under the IT Act is AABCT8207A.
4. Our Company’s TAN (Tax Deduction Account Number) under the IT Act is MUMTO8798G.
5. Our Company’s STC i.e. Service Tax payer Code under Finance Act, 1994 is AABCT8207AST006 for Franchise Services (Health Club and Fitness Centre)
6. Our Company’s STC i.e. Service Tax payer Code under Finance Act, 1994 is AABCT8207AST007 for Beauty Parlours.
7. Certificate of Import –Export Code dated June 02, 2003 bearing no. 0303013206, issued by Foreign Trade Development Officer, Mumbai.

II. GYMNASIUM

GYMNASIUM, VISAKHAPATANAM

1. Registration Certificate bearing no. DCL/VSP/166/2008, dated January 01, 2009 issued by Deputy Commissioner of Labour, Visakhapatnam, to our Company for our health club in Visakhapatnam under the Andhra Pradesh Shops and Establishments Act, 1988 renewed till December 31, 2010.
2. License for Industries, Factories, Trades and Business bearing no. 18-00664 dated March 02, 2010 issued by Commissioner, Greater Visakhapatnam, Municipal Corporation valid till December 31, 2010.
3. Certificate bearing no.195/106, dated May 28, 2009, issued by District Inspector, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium at Visakhapatnam valid till May 27, 2010.
4. License no. GL:VISH:00006 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Visakhapatnam, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Public Performance License No. 31/B/11826/5 issued by Phonographic Performance Limited authorizing our gymnasium at Visakhapatnam to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
6. Registration no. Ach-II/VSP/P.E.106/2008 dated June 10, 2008 issued by the Registering Officer, Visakhapatnam to our gymnasium in Visakhapatnam under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contractors for facilities management.
7. Order No. EI/VSP/TECH/271.0/VSP/D. No.: 1252/2007 dated August 14, 2007 issued by Electrical Inspector, Visakhapatnam under Rule 47A Indian Electricity Rules, 1956 for installation of D.G.Set for 125 KVA for our gymnasium at Visakhapatnam.

GYMNASIUM, COCHIN

1. License no. GL:COC:00013 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Cochin, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
2. Certificate bearing no.1658/2009, dated July 10, 2009, issued by Senior Inspector of Legal Metrology, Ernakulam, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium at Cochin.
3. Public Performance License No. 31/B/11826/6 issued by Phonographic Performance Limited authorizing our gymnasium at Cochin to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
4. Order No. T2-6280/2008/EIE dated June 16, 2009 issued by Electrical Inspector Incharge, Ernakulam under Rule 47A Indian Electricity Rules, 1956 for installation of D.G.Set for 125 KVA for our gymnasium at Cochin.
5. Registration No.KCLR:4/2010 dated February 05, 2010, issued by the Registering Officer and District Labour Officer (Enforcement), Ernakulam, to our gymnasium in Cochin under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for fitness training, fitness consultant and dieticians by the contractors.

GYMNASIUM, AMRITSAR

1. Certificate bearing no. 476970 dated March 18, 2010, issued by Dist. Inspector of Legal Metrology, Amritsar, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid till March 17, 2011.

2. Receipt dated March 08, 2010 issued by Phonographic Performance Limited authorising our gymnasium at Amritsar to perform all sound recording controlled by Phonographic Performance Limited until the receipt of original licence.
3. License no. GL:AMRI:00014 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Amritsar, for performing all musical and literary works valid from February 01, 2010 till January 31, 2011.
4. Permission bearing no. 38880 dated January 27, 2009 to use the 125 KVA generating set at our gymnasium at Amritsar, issued by Electrical Inspector, Amritsar.
5. Registration No.LGOI6 dated February 25, 2010, issued by the Registering Officer, Amritsar, to our gymnasium in Amritsar under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for employing gym instructors, dietician and councillor by the contractors.

GYMNASIUM, LUDHIANA

1. Shops and Establishment license no. 9318 dated March 29, 2010 issued by Municipal Corporation, Ludhiana, under the Punjab Shops and Establishment Act, 1958 valid till March 31, 2011.
2. License no. GL:LUD:00042 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Ludhiana, for performing all musical and literary works valid from April 01, 2010 till March 31, 2011.
3. Public Performance License No. 12668 issued by Phonographic Performance Limited authorizing our gymnasium at Ludhiana to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
4. Certificate bearing no.586632, dated December 09, 2009, issued by District Inspector, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 our gymnasium at Ludhiana valid till December 08, 2010.
5. Registration No.1030 dated March 30, 2010, issued by the Registering Officer, Ludhiana, to our gymnasium in Ludhiana under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for employing fitness trainers.

GYMNASIUM, BODHAKDEV, AHMEDABAD

1. Shops and Establishment license no. PII/BDK/23/0000006 dated August 24, 2009 issued by Deputy Municipal Commissioner, under the Mumbai Shops and Establishment Act, 1948 for our gymnasium at Bodhakdev, Ahmedabad valid till December 31, 2013.
2. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Bodhakdev, Ahmedabad, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
3. Receipt dated March 08, 2010 issued by Phonographic Performance Limited authorising our gymnasium at Bodhakdev, Ahmedabad to perform all sound recording controlled by Phonographic Performance Limited until the receipt of original licence.

GYMNASIUM, NAVRANGPURA, AHMEDABAD

1. Shops and Establishment license no. PII/EL/23/0000015 dated November 20, 2009 issued by Deputy Municipal Commissioner, under the Mumbai Shops and Establishment Act, 1948 for our gymnasium at Navrangpura, Ahmedabad valid till December 31, 2014.
2. License no. GL:AHM:00229 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Navrangpura, Ahmedabad, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.

3. Public Performance License No. 12658 issued by Phonographic Performance Limited authorizing our gymnasium at Navrangpura, Ahmedabad to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.

GYMNASIUM, PALDI, AHMEDABAD

1. Shops and Establishment license no. PII/EL/23/0000016 dated December 18, 2009 issued by Deputy Municipal Commissioner, under the Mumbai Shops and Establishment Act, 1948 for our gymnasium at Paldi, Ahmedabad valid till December 31, 2013.
2. License no. GL:AHM:00230 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Paldi, Ahmedabad, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
3. Public Performance License No. 12659 issued by Phonographic Performance Limited authorizing our gymnasium at Paldi, Ahmedabad to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.

GYMNASIUM, BASVESHWAR NAGAR, BANGALORE

1. Registration Certificate bearing no. 16/HIRANI-10/CE/690/2009 dated January 01, 2009 issued by Office of Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our gymnasium at Basveshwar Nagar, Bangalore under the Karnataka Shops and Commercial Establishment Act, 1961, valid till December 31, 2012.
2. Certificate bearing enrolment no. P00212307 dated January 09, 2009 issued by Commercial Taxes Department under the Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976 enrolling our gymnasium at Basveshwar Nagar, Bangalore under the said act for payment of tax per annum on or before 30th April.
3. Certificate bearing enrolment no. P00212306 dated January 09, 2009 issued by Commercial Taxes Department under the Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976 enrolling our gymnasium at Basveshwar Nagar, Bangalore under the said act for filing return by the Company in respect of each month separately.
4. Trade licence bearing no. 137/09-10 dated January 29, 2010 issued by Health Department, Bruhat Bangalore Mahanagar Palika for our gymnasium at Basveshwar Nagar, Bangalore, for running health fitness centre valid up to March 31, 2011.
5. Certificate bearing no. 608202, dated November 06, 2009, issued by the Officer of Legal Metrology, to our gymnasium at Basveshwar Nagar, Bangalore under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid upto November 05, 2010.
6. License issued vide letter bearing no. IPRS:EF:GPP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Basveshwar Nagar, Bangalore, for performing all musical and literary works valid from December 01, 2010 till November 30, 2011
7. Public Performance License No. 12661 issued by Phonographic Performance Limited authorizing our gymnasium at Basveshwar Nagar, Bangalore to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
8. Registration ALC-2/CLA/P-40/09-10 dated July 27, 2009 issued by the Assistant Labour Commissioner, Bangalore to our gymnasium in Basveshwar Nagar, Bangalore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for House Keeping.
9. Permission bearing no. DEI/AEI/BBOR/OG/166/09-10 dated April 24, 2009 to use the 100 KVA generating set at our gymnasium at Basveshwar Nagar, Bangalore, issued by Deputy Electrical Inspector, Bangalore.

GYMNASIUM, JAYANAGAR, BANGALORE

1. Shops and Establishment license no. 58/VASA/C 905 dated December 12, 2007 issued by Office of Inspector, Bangalore, under the Karnataka Shops and Establishment Act, 1961 for our gymnasium at Jayanagar, Bangalore valid till December 31, 2012.

2. Certificate bearing no. 1218603, dated March 20, 2010, issued by the Officer of Legal Metrology, Jayanagar, to our gymnasium at Jayanagar, Bangalore under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid till March 19, 2011.
3. Public Performance License No. 31/K/60162 issued by Phonographic Performance Limited authorizing our gymnasium at Jayanagar Bangalore to perform all sound recording controlled by Phonographic Performance Limited for a period from April 01, 2009 to March 31, 2012.
4. License no. GL:KAR:00102 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Jayanagar Bangalore, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Consent bearing no. 79/KSPCB/EO/BNG-C-1/DEO/AEO/WPC/2007-08 issued by Karnataka State Pollution Control Board, Bangalore, under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the rules and orders made thereunder to our Company for our gymnasium at Jayanagar Bangalore for existing discharge of sewage and/or trade effluents under section 21 of the Water (Prevention and Control of Pollution) Act, 1974 valid from January 01, 2007 till December 31, 2016.
6. Consent bearing no. 23/KSPCB/EO/BNG-C-1/DEO/AEO/APC/INR-133879/2007-08 issued by Karnataka State Pollution Control Board, Bangalore, under the provisions of the Air (Prevention and Control of Pollution) Act, 1981 and the rules and orders made thereunder to our Company for our gymnasium at Jayanagar Bangalore authorising to operate the gymnasium at the premises valid from January 01, 2007 till December 31, 2016.
7. Registration ALCB-4/CLA/P:133/2005-06 dated September 20, 2004 issued by the Assistant Labour Commissioner, Bangalore to our gymnasium in Jayanagar, Bangalore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, Dietician, Fitness Consultant.

GYMNASIUM, ULSOOR, BANGALORE

1. Registration Certificate bearing no. 81/CE/0313/2003, dated September 04, 2003 issued by Officer Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our Company for our health and fitness Centre at Ulsoor, Bangalore, valid till December 12, 2012.
2. Certificate bearing no.177542, dated November 26, 2009, issued by Dist. Inspector of Legal Metrology, Bangalore, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium at Ulsoor Bangalore, valid till November 25, 2010.
3. License no. GL:KAR:00101 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Ulsoor, Bangalore, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
4. Registration no. ALCB-4/CLA/P:134/2005-06 dated September 20, 2005 issued by the Registering Officer, Bangalore for our gymnasium at Ulsoor, Bangalore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, Dietician, Fitness Consultant.
5. Permission bearing no. DEI(C)/AEI(C)/Spa/2008-09 dated December 10, 2008 to use the 1 X 250 KVA, 1 X 100 KVA, 1 X 62.5 KVA generating sets at our gymnasium at Ulsoor, Bangalore, issued by Electrical Inspector, Miraj.
6. Public Performance License No. 31/B/12102 issued by Phonographic Performance Limited authorizing our gymnasium at Ulsoor, Bangalore, to perform all sound recording controlled by Phonographic Performance Limited for a period from October 04, 2009 to October 03, 2010.

GYMNASIUM, SADASHIVNAGAR, BANGALORE

1. Registration Certificate bearing no. 10K/No4/W-99 – 0332/06 dated May 26, 2006 issued by Office of Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our gymnasium at Sadashivnagar, Bangalore under the Karnataka Shops and Commercial Establishment Act, 1961, valid till December 31, 2010.

2. Certificate bearing no. 607985, dated September 24, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Sadashivnagar, Bangalore under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till September 23, 2010.
3. Public Performance License No. 31/B/10281 issued by Phonographic Performance Limited authorizing our gymnasium at Sadashivnagar, Bangalore to perform all sound recording controlled by Phonographic Performance Limited for a period from April 16, 2009 to April 15, 2010.
4. License no. GL:KAR:00103 issued by The Indian Performing Right Society Limited to our gymnasium at Sadashivnagar, Bangalore, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Registration LOB3/CLA/P-56/06-07 dated August 17, 2006 issued by the Assistant Labour Commissioner, Bangalore to our gymnasium at Sadashivnagar, Bangalore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, maintenance staff and security guards.
6. Permission bearing no. DEI/BC/AEI(C)/2006-07/896/2006-07 dated February 11, 2006 to use the 125 KVA generating set at our gymnasium at Sadashivnagar, Bangalore, issued by Deputy Electrical Inspector, Bangalore.

GYMNASIUM, J.P. NAGAR, BANGALORE

1. Registration Certificate bearing no. 57/MS/1061/2007 dated October 17, 2007 issued by Office of Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our gymnasium at J P Nagar, Bangalore under the Karnataka Shops and Commercial Establishment Act, 1961, valid till December 31, 2011.
2. Certificate bearing no. 1213416, dated October 06, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at J P Nagar, Bangalore under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till October 05, 2010.
3. Public Performance License No. 31/B/10836 issued by Phonographic Performance Limited authorizing our gymnasium at J. P. Nagar, Bangalore to perform all sound recording controlled by Phonographic Performance Limited for a period from May 12, 2009 to May 11, 2010.
4. Registration ALC-2/CLA/C-92/07-08 dated November 30, 2007 issued by the Assistant Labour Commissioner, Bangalore to our gymnasium at J P Nagar, Bangalore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, maintenance staff and security guards.
5. Permission bearing no. BS 7098 dated November 07, 2007 to use the 125 KVA generating set at our gymnasium at J P Nagar, Bangalore, issued by Deputy Electrical Inspector, Bangalore.
6. License no. GL:KAR:0361 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at J P Nagar, Bangalore, for performing all musical and literary works valid from November 01, 2009 till October 31, 2010.

GYMNASIUM, MANGALORE

1. Registration Certificate bearing no. 4/VASAM/0164 dated August 20, 2009 issued by Office of Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our gymnasium at Mangalore under the Karnataka Shops and Commercial Establishment Act, 1961, valid till December 31, 2011.
2. Trade licence bearing no. G10/9734/08-09, issued by Mangalore City Corporation, to our gymnasium at Mangalore valid upto March 31, 2011.
3. License no. GL:MAN:00008 issued by The Indian Performing Right Society Limited to our gymnasium at Mangalore, for performing all musical and literary works valid from September 01, 2009 till August 31, 2010.

4. Public Performance License No. 31/B/11826/7 issued by Phonographic Performance Limited authorizing our gymnasium at Mangalore to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
5. Registration ALC/RGN/CLA/DK-8/2009 dated January 27, 2009 issued by the Assistant Labour Commissioner, Mangalore to our gymnasium at Managalore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, dietician an fitness consultants.
6. Certificate bearing no. 21876, dated November 09, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Managalore under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till November 08, 2010.

GYMNASIUM, UDAIPUR

1. Public Performance License No. 12665 issued by Phonographic Performance Limited authorizing our gymnasium at Udaipur to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
2. Certificate bearing no 02/1238, dated December 14, 2009, issued by District Inspector, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium at Udaipur valid till December 14, 2010.
3. Permission bearing no. E1/Kota/Pp./D1048 dated March 19, 2009 to use the 125 KVA generating set at our gymnasium at Udaipur, issued by Deputy Electrical Inspector, Kota.
4. Registration Certificate dated Janaury 21, 2010 issued by Inspector, Rajasthan, to our Company for our health club in Udaipur under the Rajasthan Shops and Establishments Act, 1958 valid from January 01, 2008 till December 31, 2010.
5. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Udaipur, for performing all musical and literary works valid from April 01, 2010 till March 31, 2011.

GYMNASIUM, VIJAYAWADA

1. Registration Certificate bearing no. 435/07/L-II/V.J, dated March 22, 2007 issued by Labour Officer, Vijayawada, to our Company for our health club in Vijayawada under the Andhra Pradesh Shops and Establishments Act, 1988 valid till December 31, 2010.
2. License for Industries, Factories, Trades and Business bearing no. 7/933/3885 dated February 03, 2010 issued by Vijayawada, Municipal Corporation valid till December 31, 2010.
3. Public Performance License No. 31/B/11826/4 issued by Phonographic Performance Limited authorizing our gymnasium at Vijayawada to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
4. License no. GL:VIJA:00004 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Vijayawada, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Registration K-227 dated March 06, 2009 issued by the Registering Officer, Vijayawada for our health club at Vijayawada under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, Dietician, Fitness Consultant.

GYMNASIUM, SANGLI

1. Registration Certificate bearing no. II-9861/08, dated October 06, 2008 issued by Inspector, Shops and Establishment Act, 1948 to our Company for our health club in Sangli under the Bombay Shops and Establishments Act, 1948 valid till December 31, 2012.

2. Certificate bearing no. 225908, dated November 30, 2009, issued by Inspector of Legal Metrology, Sangli, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid till November 30, 2010.
3. Public Performance License No. 12670 issued by Phonographic Performance Limited authorizing our gymnasium at Sangli to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
4. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Sangli, for performing all musical and literary works valid from September 01, 2009 till August 31, 2010.
5. Registration No. ACL/SGL/CLA/137 dated January 04, 2010, issued by the Registrar, Thane to our gymnasium in Sangli under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for amending the details provided for professional services and house keeping services by the contractors under the Registration Certificate bearing no. ACL/CLA/R/150 dated August 03, 2009.
6. Permission bearing no. EIM/PA/2889 dated December 12, 2008 to use the 125 KVA generating set at our gymnasium at Sangli, issued by Electrical Inspector, Miraj.

GYMNASIUM, AURANGABAD

1. Shops and Establishment license bearing no. V.S/K-Bare/122/26 9 31/2008 dated April 24, 2008 issued by the Inspector under Mumbai Shops and Establishment Act, 1948 at our gymnasium at Aurangabad valid upto December 31, 2011.
2. License no. GL:AUR:00090 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Aurangabad, for performing all musical and literary works valid from April 01, 2010 till March 31, 2011.
3. Public Performance License No. 12669 issued by Phonographic Performance Limited authorizing our gymnasium at Aurangabad to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
4. Certificate bearing no. 462457, dated November 23, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Aurangabad under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 for our gymnasium at Aurangabad, valid till November 23, 2010.
5. Licence No. 320/2008-22/Ward-E dated May 07, 2009 issued by Licencing authority, Medical Officer of Health, Aurangabad for sale/storage/distribution of food supplements/nutritional foods under Rule 5 (3) of the Maharashtra Prevention of Food Adulteration Rules, 1962, for our gymnasium at Aurangabad valid till December 31, 2011.
6. Permission bearing no. EIA/PA/386/2009 dated March 02, 2009 to use the 125 KVA generating set at our gymnasium at Aurangabad, issued by Electrical Inspector, Aurangabad.
7. Permission dated November 13, 2009 granted by Station In-charge, Kranti Chock Police Station, for use of the premises at Adalat Road, Aurangabad for purpose of gymnasium from 6 am to 10 pm.
8. Registration No. AWB/1024/2010 dated March 02, 2010, issued by the Registering Officer, Aurangabad to our gymnasium in Aurangabad under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for professional services and house keeping services by the contractors valid till December 31, 2010.

GYMNASIUM, VASAI

1. Shops and establishment license No. 1629/C dated April 24, 2008 issued by the Inspector, Shops and Establishment Office, under the Mumbai Shops and Establishments Act, 1948, for our gymnasium at Vasai, valid till December 31, 2011.

2. Public Performance License No. 12664 issued by Phonographic Performance Limited authorizing our gymnasium at Vasai, to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
3. Registration NO/DC/THN/CLA/REG/AMEND/2010 dated February 04, 2010, issued by the Registrar, Thane to our gymnasium in Vasai under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for amending the details provided for professional services and house keeping services by the contractors under the Registration Certificate bearing no. 03152/20 dated December 31, 2010.
4. Permission bearing no. EIT/165/5535 dated November 10, 2008 to use the 100 KVA generating set at our gymnasium at Vasai, issued by Electrical Inspector, Thane.
5. Certificate bearing no. 0073780, dated December 05, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Vasai under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987, valid till December 05, 2010.
6. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Vasai, for performing all musical and literary works valid from November 01, 2009 till October 31, 2010.

GYMNASIUM, NERUL

1. Shops and establishment license no. CE-19445 dated July 18, 2008 issued by Inspector under the Mumbai Shops and Establishment Act, 1948 for our gymnasium at Nerul, valid for December 31, 2012.
2. Certificate bearing no.316340, dated March 10, 2010, issued by Inspector of Legal Metrology, Vashi, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium at Nerul, valid upto March 10, 2011.
3. Public Performance License No. 12666 issued by Phonographic Performance Limited authorizing our gymnasium at Nerul, to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
4. License no. GL:NAV:03274 issued by the Indian Performing Right Society Limited to our Company for our gymnasium at Nerul, for performing all musical and literary works valid from April 01, 2010 till March 31, 2011.
5. Registration No. DC/THN/CLA/REG/AMEND/2010 dated February 04, 2010, issued by the Registrar, Thane to our gymnasium in Nerul under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for amending the details provided for professional services and house keeping services by the contractors under the Registration Certificate bearing no. 03238 / 21 dated March 04, 2009 valid till December 31, 2010.
6. Permission bearing no. EIT/1/12/3234 dated July 10, 2008 to use the 125 KVA generating set at our gymnasium at Nerul, issued by Electrical Inspector, Thane.

GYMNASIUM, BHAYENDER, THANE

1. Shops and establishment Licence no. CE-5234 dated March 18, 2009 issue by Inspector, under the Shops and Establishment Act, 1948 for our gymnasium at Bhayender, Thane valid till December 31, 2011.
2. Receipt dated March 08, 2010 issued by Phonographic Performance Limited authorising our gymnasium at Bhayender to perform all sound recording controlled by Phonographic Performance Limited until the receipt of original licence.
3. License no. GL:THA:03278 issued by the Indian Performing Right Society Limited to our Company for our gymnasium at Bhayender, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
4. Certificate bearing no. 004369, dated March 19, 2010, issued by the Inspector of Legal Metrology, to our gymnasium at Bhayender under the provisions of Weights and Measures Act, 1985 and the rules made thereunder,

particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 for our gymnasium at Bhayender, valid upto March 18, 2011.

5. Registration No. DC/THN/CLA/REG/AMEND/2010 dated February 24, 2010, issued by the Registrar, Thane to our gymnasium in Bhayender, Thane under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for amending the details provided for professional services and house keeping services by the contractors under the Registration Certificate bearing no. 06111 / 22 dated April 27, 2009 valid upto December 31, 2010.

GYMNASIUM, BANJARA HILLS, HYDERABAD

1. Renewal of Certificate of registration bearing no. ALO/37/hyd/86/2008, issued by Assistant Labour Officer, Hyderabad to our Company for our health club in Banjara Hills, Hyderabad under the Andhra Pradesh Shops and Establishments Act, 1988 renewed from January 01, 2010 till December 31, 2010.
2. Certificate bearing no. 234476, dated May 13, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Banjara Hills, Hyderabad under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till May 12, 2010.
3. Public Performance License No. 31/B/11826/2 issued by Phonographic Performance Limited authorizing our gymnasium at Banjara Hills, Hyderabad to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
4. License no. GL:HYD:00049 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Banjara Hills, Hyderabad, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.

GYMNASIUM, BASHEERBAGH, HIMAYAT NAGAR, HYDERABAD

1. Shops and establishment license no. ALO20/HYD/84/2008 dated July 26, 2008 issued by Inspector under the Andhra Pradesh Shops and Establishment Act, 1948 to our gymnasium at Himayat Nagar, Hyderabad renewed till December 31, 2010.
2. Certificate bearing no. 0234475, dated May 13, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Himayat Nagar, Hyderabad under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till May 12, 2010.
3. License no. GL:HYD:00149 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Himayat Nagar, Hyderabad, for performing all musical and literary works valid from April 01, 2010 till March 31, 2011.
4. Public Performance License No. 12667 issued by Phonographic Performance Limited authorizing our gymnasium at Himayat Nagar, Hyderabad to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
5. Permission bearing no. E.I./HYD/HV/D.No.278/2008 dated March 31, 2008 to use and install H. V. Electrical Installations at our gymnasium at Himayat Nagar, Hyderabad, issued by Electrical Inspector, Hyderabad.

GYMNASIUM, SECUNDERABAD

1. Renewal of Certificate of registration bearing no. ALO/33/hyd/92/2008, dated January 01, 2009 issued by Assistant Labour Officer, Hyderabad to our Company for our health club in Secunderabad under the Andhra Pradesh Shops and Establishments Act, 1988 renewed till December 31, 2010.
2. Certificate bearing no.0044270, dated May 18, 2009, issued by Dist. Inspector of Legal Metrology, Secunderabad, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid till May 17, 2010.

3. Public Performance License No. 31/B/11826/3 issued by Phonographic Performance Limited authorizing our gymnasium at Secunderabad to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
4. License no. GL:SECU:00016 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Secunderabad, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Registration no. ACL-I/33/2008 dated June 11, 2008 issued by the Registering Officer, Hyderabad to our gymnasium in Secunderabad under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contractors for Support Services (helpers).
6. Licence No. Dy.CEIG/HYD/D.No.1268/06 dated June 08, 2006, to use D. G. Sets at our gymnasium in Secunderabad issued by Deputy Chief Electrical Inspector, Government of Hyderabad.

GYMNASIUM, GUNTUR

1. Shops and Establishment license no. 18/DCL/Guntur dated January 25, 2010 issued by Deputy Commissioner of Labour, Guntur, under the Andhra Pradesh Shops and Establishment Act, 1988 valid till December 31, 2010.
2. Trade licence certificate bearing no. 8158764 issued by Health Department, Guntur for carrying on gym and fitness trade, valid till December 31, 2011..
3. Certificate bearing no. 201, dated December 17, 2009, issued by District Inspector, Legal Metrology (Weights and Measures Department), Guntur, to our gymnasium at Guntur under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Andhra Pradesh Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid till December 16, 2010.
4. License no. GL:GUNT:00004 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Guntur, for performing all musical and literary works valid from September 01, 2009 till August 31, 2010.
5. Public Performance License No. 12671 issued by Phonographic Performance Limited authorizing our gymnasium at Guntur to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
6. Approval No. EI/VJA/TECH/HT/GNT/D No. 1096/2008 dated July 17, 2008 approving electrical installations under Indian Electricity Act, 2003 at our gymnasium at Guntur issued by Electrical Inspector Vijayawada.
7. Registration No.08 dated January 28, 2010, issued by the Registering Officer and Assistant Commissioner of Labour, Guntur, to our gymnasium in Guntur under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for fitness training, fitness consultant and dieticians by the contractors.

GYMNASIUM, SALT LAKE CITY, KOLKATA

1. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Salt Lake City, Kolkata, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
2. Public Performance License No. 7/B/10834 issued by Phonographic Performance Limited authorizing our gymnasium at Salt Lake City, Kolkata to perform all sound recording controlled by Phonographic Performance Limited for a period from May 28, 2009 to May 27, 2010.
3. Certificate of verification bearing no. 1120681, dated March 15, 2010, issued by the Inspector of Legal Metrology, to our gymnasium at Salt Lake, Kolkata under the provisions of Standard Weights and Measures (Enforcement) Act, 1985 valid till March 14, 2011.

GYMNASIUM, HUBLI

1. Registration Certificate bearing no. 32/V.S./1068, dated April 02, 2008 issued by Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our Company for our health club in Hubli under the Karnataka Shops and Commercial Establishment Act, 1961, valid till December 31, 2012.

2. Trade licence certificate bearing no. ZC840/05/06/46 dated November 23, 2009 issued by Hubli Dharwad Municipal Corporation for carrying on gym and fitness centre, valid till March 31, 2011.
3. Certificate bearing registration no. 145921, dated June 02, 2008, issued by the Inspector of Legal Metrology, to our gymnasium at Hubli under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till June 01, 2013.
4. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Hubli, for performing all musical and literary works valid from April 01, 2010 till March 31, 2011.
5. Public Performance License No. 12663 issued by Phonographic Performance Limited authorizing our gymnasium at Hubli to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
6. Registration ALCB-4/CLA/P:134/2005-06 dated September 20, 2005 issued by the Assistant Labour Commissioner, Bangalore to our gymnasium at Hubli under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Fitness Training, maintenance staff and security guards.

GYMNASIUM, ADYAR, CHENNAI

1. Certificate bearing bo. R.DIS no. 413/09 dated December 04, 2009, issued by the Assistant Inspector and Labour, Circle Tamil Nadu Industrial Establishment (National and Festival Holidays) Rules, 1959 to our Company for our health club in Adyar, Chennai.
2. Certificate bearing registration no. TH/521, dated December 14, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Adyar, Chennai under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till December 14, 2010.
3. License no. GL:CHEN:00058 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Adyar, Chennai, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
4. Public Performance License No. 31/B/12104 issued by Phonographic Performance Limited authorizing our gymnasium at Adyar, Chennai to perform all sound recording controlled by Phonographic Performance Limited for a period from October 04, 2009 to October 03, 2010.
5. Registration 11/CNI/2010 dated February 26, 2010 issued by the Assistant Commissioner of Labour, Chennai to our gymnasium at Adyar Chennai, under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for Helpers/ Office Assistants and House keeping.
6. Letter of permission bearing no LTG 228/EIC/North/R.47A/SC/2009 dated February 11, 2010 issued by Electrical Inspector, Government of Tamil Nadu under Rule 47A of Indian Electricity Rules 1956 to use the 100 KVA diesel generating set for our gymnasium at Adyar, Chennai.

GYMNASIUM, T. NAGAR, CHENNAI

1. Certificate bearing no. R.DIS no. 349/2009 dated December 21, 2009, issued by the Assistant Inspector and Labour, Circle Tamil Nadu Industrial Establishment (National and Festival Holidays) Rules, 1959 to our Company for our health club in T. Nagar, Chennai.
2. Certificate bearing no. TN 504, dated March 23, 2010, issued by the Officer of Legal Metrology, Chennai, to our gymnasium at T. Nagar, Chennai under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 valid till March 23, 2011.
3. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at T. Nagar, Chennai, for performing all musical and literary works valid from February 01, 2010 till January 31, 2011.

4. Public Performance License No. 12672 issued by Phonographic Performance Limited authorizing our gymnasium at T. Nagar, Chennai to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
5. Letter of permission dated February 26, 2010 bearing no. 406/EI/CHN-S/R 47A/SC/2009 issued by Electrical Inspector, Government of Tamil Nadu under Rule 47A of Indian Electricity Rules 1956 to use the 125 KVA diesel generating set for our gymnasium at T. Nagar, Chennai.

GYMNASIUM, ALWARPET, CHENNAI

1. Certificate bearing no. R.DIS no. 585/09 dated November 22, 2009, issued by the Assistant Inspector and Labour, Circle Tamil Nadu Industrial Establishment (National and Festival Holidays) Rules, 1959 to our Company for our health club in Alwarpet, Chennai.
2. Certificate bearing registration no. 3608862, dated June 18, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Alwarpet, Chennai under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till June 18, 2010.
3. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Alwarpet, Chennai, for performing all musical and literary works valid from July 01, 2009 till June 30, 2010.
4. Public Performance License No. 7/M/4111 issued by Phonographic Performance Limited authorizing our gymnasium at Alwarpet, Chennai to perform all sound recording controlled by Phonographic Performance Limited for a period from May 01, 2008 to April 30, 2011.
5. Letter of permission bearing no. LTG400/EI/CHN-N/R 47A/SC/2009 dated February 23, 2010 issued by Electrical Inspector, Government of Tamil Nadu under Rule 47A of Indian Electricity Rules 1956 to use the 125 KVA diesel generating set for our gymnasium at Alwarpet, Chennai.

GYMNASIUM, ANNANAGAR, CHENNAI

1. Certificate bearing no. R.DIS no. 590/2009 dated December 10, 2009, issued by the Assistant Inspector and Labour, Circle Tamil Nadu Industrial Establishment (National and Festival Holidays) Rules, 1959 to our Company for our health club in Annanagar, Chennai.
2. Certificate bearing registration no. 4443441, dated October 07, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Annanagar, Chennai under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till October 07, 2010.
3. Licence No. GL:CHEN:00057 issued by Indian Performing Right Society Limited, authorizing our gymnasium at Annanagar, Chennai, to perform any sound recording together with the musical and literary work for a period from January 01, 2010 to December 31, 2010.
4. Public Performance License No. 31/B/12103 issued by Phonographic Performance Limited authorizing our gymnasium at Annanagar, Chennai to perform all sound recording controlled by Phonographic Performance Limited for a period from October 04, 2009 to October 03, 2010.
5. Letter of permission bearing no. LTG409/EI/CHN-S/R 47A/SC/2009 dated February 24, 2010 issued by Electrical Inspector, Government of Tamil Nadu under Rule 47A of Indian Electricity Rules 1956 to use the 125 KVA diesel generating set for our gymnasium at Annanagar, Chennai.

GYMNASIUM, NUMGUMBAKKAM, CHENNAI

1. Licence no. R Dis no. 500/09 dated December 30, 2009 issued by the Inspector under the Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958 declaring the holidays for our gymnasium at Numgumbakkam, Chennai.

2. Certificate of Verification no. TN. 526 dated October 13, 2009 issued by the Inspector of Legal Metrology, Chennai, valid upto October 13, 2010.
3. Receipt dated March 08, 2010 issued by Phonographic Performance Limited authorising our gymnasium at Nungumbakkam to perform all sound recording controlled by Phonographic Performance Limited until the receipt of original licence.
4. License no. GL:CHEN:00134 issued by the Indian Performing Right Society Limited to our Company for our gymnasium at Nungumbakkam, for performing all musical and literary works valid from July 01, 2009 till June 30, 2010.

GYMNASIUM, MYSORE

1. Registration Certificate bearing no. 19/BRM-180/2008 dated January 30, 2009 issued by Office of Inspector, Karnataka Shops and Commercial Establishment Act, 1961, to our gymnasium at Mysore under the Karnataka Shops and Commercial Establishment Act, 1961, valid till December 31, 2013.
2. License issued vide letter bearing no. IPRS:EF:GGP:1005:2010 dated March 05, 2010 by The Indian Performing Right Society Limited to our Company for our gymnasium at Mysore, for performing all musical and literary works valid from November 01, 2009 till October 31, 2010.
3. Public Performance License No. 12662 issued by Phonographic Performance Limited authorizing our gymnasium at Mysore to perform all sound recording controlled by Phonographic Performance Limited for a period from December 12, 2009 to December 08, 2010.
4. Certificate bearing registration no. 3152/09-10, dated December 05, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Mysore under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 valid till December 04, 2010.
5. Registration Certificate bearing no. GUKAKA/RC-50/2009-2010 dated August 25, 2009 issued by the Registering and Licensing Officer, Mysore under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for civil work for our gymnasium at Mysore.

GYMNASIUM, SIDDHARTH NAGAR, GOREGAON

1. Registration Certificate bearing no. PS013451/Commercial-II, dated November 08, 2006 issued by the Inspector under the Bombay Shops and Establishment Act, 1948, to our Company for our gymnasium in Siddharth Nagar, Goregaon under the Bombay Shops and Establishments Act, 1948 valid till December 31, 2010.
2. Certificate bearing no. 0108801, dated February 15, 2010, issued by District Inspector, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium in Siddharth Nagar, Goregaon valid till February 15, 2011.
3. License no. GL:MUM:03039 issued by The Indian Performing Right Society Limited to our Company for our gymnasium in Siddharth Nagar, Goregaon for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
4. Registration Certificate bearing no. DYCL/CLA/REGN/PVT/RC-408/DESK/27/28/24/2008 dated January 06, 2009 and order dated January 18, 2010 issued by the Registering and Licensing Officer, Mumbai under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for providing professional service and house keeping for our gymnasium in Sidharth Nagar, Goregaon valid till December 31, 2010.
5. Public Performance License No. 31/B/12101 issued by Phonographic Performance Limited authorizing our gymnasium at Goregaon to perform all sound recording controlled by Phonographic Performance Limited for a period from October 04, 2009 to October 03, 2010.

GYMNASIUM, SMRUDDHI BUILDING, MULUND

1. Registration Certificate bearing no. T/004659, dated August 25, 2005 issued by the Inspector under the Bombay Shops and Establishment Act, 1948, to our Company for our gymnasium in Mulund under the Bombay Shops and Establishments Act, 1948 valid till December 31, 2010.
2. Certificate bearing no. 0093248, dated March 11, 2010, issued by District Inspector, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for our gymnasium in Mulund valid till March 11, 2011.
3. Public Performance License No. 31/B/10280 issued by Phonographic Performance Limited authorizing our gymnasium at Mulund to perform all sound recording controlled by Phonographic Performance Limited for a period from April 16, 2009 to April 15, 2010.
4. License no. GL:MUM:03040 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Mulund for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Registration Certificate bearing no. CL/CLA/REGN/PVT/RC-087/A-II/Desk-24/T-ward dated January 11, 2010 issued by the Registering and Licensing Officer, Mumbai under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for providing professional service and house keeping for our gymnasium at Mulund valid till December 31, 2010.
6. Permission bearing no. EIT-1/D2-44/1155 dated April 11, 2007 to use the 125 KVA generating set for our gymnasium at Mulund issued by Electrical Inspector, Thane.

GYMNASIUM, TURNER ROAD, BANDRA

1. Registration Certificate bearing no. HW004900/COMMERCIAL – II, dated August 02, 2003 issued by Inspector, Shops and Establishment Act, 1948 to our Company for our gymnasium at Turner Road, Bandra under the Bombay Shops and Establishments Act, 1948 for running gymnasium valid till December 31, 2010
2. Registration Certificate bearing no. HWO10234/SHOP-I, dated October 17, 2003 issued by Inspector, Shops and Establishment Act, 1948 to our Company for our gymnasium at Turner Road, Bandra under the Bombay Shops and Establishments Act, 1948 for running fresh juice bar and coffee vending etc. valid till December 31, 2011.
3. Certificate bearing no.1363465, dated July 06, 2009, issued by Inspector of Legal Metrology, Bandra, to gymnasium at Bandra under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, for our gymnasium at Turner Road, Bandra 1977 valid till July 06, 2010.
4. Public Performance License No. 31/B/11826/1 issued by Phonographic Performance Limited authorizing our gymnasium at Turner Road, Bandra to perform all sound recording controlled by Phonographic Performance Limited for a period from July 19, 2009 to July 18, 2010.
5. License no. GL:MUM:03041 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Turner Road, Bandra, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
6. Registration CL/CLA/REGN/PVT/RC-121/CSK/Desk-27-28 dated March 25, 2010 issued by the Assistant Labour Commissioner, Mumbai to our gymnasium at, Bandra under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for providing professional services and house keeping for our gymnasium at Turner Road, Bandra valid till December 31, 2010.

GYMNASIUM, J.B.NAGAR, ANDHERI

1. Registration Certificate bearing no. KEO14283/Commercial-II, dated September 10, 2003 issued by Inspector, Shops and Establishment Act, 1948 to our Company for our gymnasium in J. B. Nagar Andheri under the Bombay Shops and Establishments Act, 1948 valid till December 31, 2010.
2. Certificate bearing no.288481, dated March 02, 2009, issued by Senior Inspector of Legal Metrology, Andheri, to our gymnasium at J. B. Nagar Andheri, under the provisions of Weights and Measures Act, 1976 and the rules

made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977, valid upto March 02, 2011.

3. Public Performance License No. 31/B/12100 issued by Phonographic Performance Limited authorizing our gymnasium at J. B. Nagar, Andheri, to perform all sound recording controlled by Phonographic Performance Limited for a period from October 04, 2009 to October 03, 2010.
4. License no. GL:MUM:03038 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at J. B. Nagar Andheri, for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Licence No. 296583 dated October 14, 2002 issued by Licencing authority, Medical Officer of Health, Andheri for sale/storage/distribution of food supplements/nutritional foods under Rule 5 (3) of the Maharashtra Prevention of Food Adulteration Rules, 1962, our gymnasium at J. B. Nagar, Andheri, valid till December 31, 2011.
6. Registration DYCL/CLA/REGN/5309/RC-24/A-V/DESK-27 dated December 22, 2009 issued by the Assistant Labour Commissioner, Mumbai to our gymnasium in J. B Nagar, Andheri, under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for appointing the Contactors for providing professional services and house keeping valid till December 31, 2010.

GYMNASIUM, NATRAJ THEATRE, CHEMBUR

1. Registration Certificate bearing no. MW003446/COMMERCIAL-II, dated December 14, 2001 issued by the Inspector under the Bombay Shops and Establishment Act, 1948, for our gymnasium at Chembur under the Bombay Shops and Establishments Act, 1948 valid till December 31, 2010.
2. Certificate bearing no. 1844988, dated October 26, 2009, issued by the Inspector of Legal Metrology, to our gymnasium at Chembur under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1987 for our gymnasium at Chembur valid till October 26, 2010.
3. Public Performance License No. 12660 issued by Phonographic Performance Limited authorizing our gymnasium at Chembur to perform all sound recording controlled by Phonographic Performance Limited for a period from December 09, 2009 to December 08, 2010.
4. License no. GL:MUM:03042 issued by The Indian Performing Right Society Limited to our Company for our gymnasium at Chembur for performing all musical and literary works valid from January 01, 2010 till December 31, 2010.
5. Licence No. 761523085 dated July 24, 2008 issued by Licencing authority, Medical Officer of Health, Chembur for sale/storage/distribution of food supplements/nutritional foods under Rule 5 (3) of the Maharashtra Prevention of Food Adulteration Rules, 1962, for our gymnasium at Chembur valid till December 31, 2011.
6. Registration No. DYCL/CLA/REGN/PVT054/Desk-24-M-Ward dated December 23, 2009, issued by the Assistant Commissioner of Labour, Mumbai to our gymnasium at Chembur under sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for providing professional services and house keeping by the contractors valid till December 31, 2010.

5. TRAINING CENTRE

THANE

1. Certificate No. CE-28637 dated November 28, 2008 issued by Inspector, Mumbai Shops and Establishment Act, 1948 under Mumbai Shops and Establishment Act, 1948 for our training centre at Thane valid till December 12, 2011.
2. Permission bearing no. EIT-1/ED/2577/200 dated June 26, 2009 to use the 35 KVA generating set at our training centre at Thane, issued by Electrical Inspector, Thane.
3. Licence no. 519 dated March 10, 2010 issued by the Inspector of Legal Metrology, to our gymnasium at Vashi under the provisions of Weights and Measures Act, 1985 and the rules made thereunder, particularly the

Standards of Weights and Measures (Packaged Commodities) Rules, 1987 for our training centre at Thane valid till October 26, 2011.

LIST OF LICENCES APPLIED FOR :

GYMNASIUM, BODHAKDEV, AHMEDABAD

Fresh Application

1. Application dated March 10, 2010 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Bodakdev, Ahmedabad.

GYMNASIUM, NAVRANGPURA, AHMEDABAD

Fresh Application

1. Application dated March 10, 2010 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Navrangpura, Ahmedabad.

GYMNASIUM, PALDI, GUJARAT

Fresh Application

1. Application dated March 10, 2010 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Paldi, Ahmedabad.

GYMNASIUM, JAYANAGAR, BANGALORE

Application for renewal

1. Application dated March 22, 2010 made to Bruhat Bangalore Mahanagar Palike for renewal of Trade licence certificate bearing no. 2531/2008-09 dated February 25, 2009 issued by Health Department, Jayanagar Bangalore for carrying on gym and fitness trade.

GYMNASIUM, HIMAYAT NAGAR, HYDERABAD

Fresh Application

1. Application dated March 30, 2010 made for the Registration under the Contract Labour (Regulation and Abolition Act), 1970.

GYMNASIUM, BANJARA HILLS, HYDERABAD

Fresh Application

1. Application dated March 30, 2010 made to Government of Andhra Pradesh for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Banjara Hills, Hyderabad.

GYMNASIUM, ULSOOR, BANGALORE

Application for renewal

1. Application dated March 31, 2010 made to Bruhat Bangalore Mahanagar Palika, Bangalore for renewal of Trade licence certificate bearing no. 01/2009-10 dated April 30, 2009 issued by Commissioner Bruhan, Bangalore Mahanagar Palika, Bangalore for carrying on gym and fitness trade at Ulsoor, Bangalore.

GYMNASIUM, SADASHIVNAGAR, BANGALORE

Application for renewal

1. Application dated March 20, 2010 made to Bruhat Bangalore Mahanagar Palika, Bangalore for renewal of Trade licence bearing no. HI/PR-21/09-10, issued by Commissioner Bruhat Bangalore Mahanagar Palika, Bangalore, to our gymnasium at Sadashivnagar, Bangalore.

GYMNASIUM, J.P. NAGAR, BANGALORE

Application for renewal

1. Application dated March 22, 2010 Bruhat Bangalore Mahanagar Palika, Bangalore for renewal of Trade licence bearing no. 2531/08-09, issued by Commissioner Bruhat Bangalore Mahanagar Palika, Bangalore, to our gymnasium at J. P Nagar, Bangalore.

GYMNASIUM, COCHIN

Application for Renewal

1. Application dated April 03, 2010 made to the Cochin Municipal Corporation for our health club in Cochin under the Kerala Shops and Establishments Act, 1960.

GYMNASIUM, T. NAGAR, CHENNAI

Fresh Application

1. Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at T. Nagar, Chennai.

GYMNASIUM, ALWARPET, CHENNAI

Fresh Application

1. Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Alwarpet, Chennai.

GYMNASIUM, SALT LAKE CITY, KOLKATA

Fresh Application

1. Application dated December 17, 2009 for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Salt Lake City, Kolkata.

GYMNASIUM, ANNANAGAR, CHENNAI

Fresh Application

1. Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Annanagar, Chennai.

GYMNASIUM, NUMGUMBAKKAM, CHENNAI

Fresh Application

1. Application dated March 30, 2010 made to Assistant Commissioner of Labour, Chennai for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Numgumbakkam, Chennai.

GYMNASIUM, MYSORE

Application for renewal

1. Application dated April 03, 2010 Mysore Citi Corporation (Health Department), Mysore for renewal of Trade licence bearing no. 140, issued by, to our gymnasium at Mysore.

GYMNASIUM, JUBILEE HILLS, HYDERABAD

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jubilee Hills, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jubilee Hills to perform all sound recording controlled by Phonographic Performance Limited.

GYMNASIUM, KUKATPALLY, HYDERABAD

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Kukatpally, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Kukatpally to perform all sound recording controlled by Phonographic Performance Limited.

GYMNASIUM, JODHPUR, RAJASTHAN

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jodhpur, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jodhpur to perform all sound recording controlled by Phonographic Performance Limited.

GYMNASIUM, JABALPUR, MADHYA PRADESH

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jabalpur, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jabalpur to perform all sound recording controlled by Phonographic Performance Limited.

GYMNASIUM, JALANDHAR, PUNJAB

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Jalandhar, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Jalandhar to perform all sound recording controlled by Phonographic Performance Limited.

GYMNASIUM, KALYAN, MAHARASHTRA

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Kalyan, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Kalyan to perform all sound recording controlled by Phonographic Performance Limited.

GYMNASIUM, VARANASI, UTTAR PRADESH

Fresh Application

1. Application for licence to The Indian Performing Right Society Limited to our gymnasium at Varanasi, for performing all musical and literary works.
2. Application for Public Performance License made to Phonographic Performance Limited authorizing our gymnasium at Varanasi to perform all sound recording controlled by Phonographic Performance Limited.

LICENCES YET TO BE APPLIED FOR:

Fresh Application to be made:

1. Application to be made under the Andhra Pradesh Shops and Establishments Act, 1988 for our gymnasium at Jubilee Hills, Hyderabad.
2. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jubilee Hills, Hyderabad.
3. Application for trade licence for our our gymnasium situated at Jubilee Hills
4. Application to be made under the Andhra Pradesh Shops and Establishments Act, 1988 for our gymnasium at Kukatpally, Hyderabad.
5. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Kukatpally, Hyderabad.
6. Application for trade licence for our our gymnasium situated at Kukatpally.
7. Application to be made under the Rajasthan Shops and Commercial Establishment Act, 1958 for the gymnasium situated at Jodhpur, Rajasthan.
8. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jodhpur, Rajasthan.
9. Application to be made under the Madhya Pradesh Shops and Establishments Act, 1954 for the gymnasium situated at Jabalpur, Madhya Pradesh.
10. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jabalpur, Madhya Pradesh.
11. Application to be made under the Punjab Shops and Commercial Establishments Act, 1958 for the gymnasium situated at Jalandhar, Punjab.
12. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Jalandhar, Punjab
13. Application to be made under the Bombay Shops and Establishments Act, 1948 for the gymnasium situated at Kalyan, Maharashtra.
14. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Kalyan, Maharashtra.
15. Application to be made under the Uttar Pradesh Shops and Commercial Establishments Act, 1962 for the gymnasium situated at Varanasi, Uttar Pradesh.
16. Application for registration under sub-section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 for gymnasium situated at Varanasi, Uttar Pradesh.

Applications made for renewal

1. Application to be made for renewal of certificate bearing no.1019987, dated April 08, 2009, issued by Dist. Inspector of Legal Metrology, Vijayawada, to our Company under the provisions of Weights and Measures Act, 1976 and the rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977.
2. Application to be made to Greater Hyderabad Municipal Corporation for renewal of Trade licence bearing no. 055-325-0141, issued by Greater Hyderabad Municipal Corporation, to our gymnasium at Banjara Hills, Hyderabad.
3. Application to be made for renewal of Trade licence bearing no. 034-325-0136, issued by Greater Hyderabad Municipal Corporation, to our gymnasium at Himayat Nagar, Hyderabad.
4. Application to be made for renewal of Trade licence, to be issued by Municipal Corporation of Hyderabad, to our gymnasium at Secunderabad.
5. Application to be made for renewal under the Punjab Shops and Commercial Establishment Act, 1958, for the gymnasium situated at Amritsar.
6. Application to be made for renewal of Trade License, to be issued by Bidhannagar Municipality, Kolkotta, to our gymnasium at Salt Lake City, Kolkotta.

TRADEMARK APPROVALS

Ownership of Trade Marks / Brands

Sl No	Trademark No.	Proprietor	Trademark/ Tradename	Classes	Description of goods/services	Validity Period		Issuing Authority
						From	To	
1.	1408461	Talwalkar's Better Value Fitness Limited	'T' Spreading Fitness since 1932 (Logo and Word)	05	Dietetic foods, beverages, tonics etc as mentioned under Class 5 of the Trademark Rules 2002	December 23, 2005	December 22, 2015	Trade Marks Registry, Mumbai
2.	1408484	Talwalkar's Better Value Fitness Limited	TALWALKAR'S (Word)	42	Providing of food and drink, temporary accommodation etc as mentioned under Class 42 of the Trademark Rules 2002	December 23, 2005	December 22, 2015	Trade Marks Registry, Mumbai
3.	1408460	Talwalkar's Better Value Fitness Limited	'T' Spreading Fitness since 1932 (Logo and Word)	16	Paper, cardboard and goods etc as mentioned under Class 16 of the Trademark Rules 2002	December 23, 2005	December 22, 2015	Trade Marks Registry, Mumbai
4.	1408463	Talwalkar's Better Value Fitness Limited	'T' Spreading Fitness since 1932 (Logo and Word)	18	Leather and imitation of leather etc as mentioned under Class 18 of the Trademark Rules 2002	December 23, 2005	December 22, 2015	Trade Marks Registry, Mumbai
5.	1408465	Talwalkar's Better Value Fitness Limited	'T' Spreading Fitness since 1932 (Logo and Word)	28	Games and play things, gymnastics and equipments etc as mentioned under Class 28 of the Trademark Rules 2002	December 23, 2005	December 22, 2015	Trade Marks Registry, Mumbai
6.	1408466	Talwalkar	'T' Spreading	29	Meat, fish, poultry	December	December	Trade

Sl No	Trademark No.	Proprietor	Trademark/ Tradename	Classes	Description of goods/services	Validity Period		Issuing Authority
						From	To	
		s Better Value Fitness Limited	Fitness since 1932 (Logo and Word)		and game etc as mentioned under Class 29 of the Trademark Rules 2002	r 23, 2005	r 22, 2015	Marks Registry, Mumbai
7.	1408467	Talwalkar s Better Value Fitness Limited	‘T’ Spreading Fitness since 1932 (Logo and Word)	30	Coffee, tea, cocoa, sugar, rice etc as mentioned under Class 30 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
8.	1408468	Talwalkar s Better Value Fitness Limited	‘T’ Spreading Fitness since 1932 (Logo and Word)	31	Agriculture, horticulture etc as mentioned under Class 31 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
9.	1408469	Talwalkar s Better Value Fitness Limited	‘T’ Spreading Fitness since 1932 (Logo and Word)	32	Beer, ale and porter etc as mentioned under Class 32 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
10.	1408470	Talwalkar s Better Value Fitness Limited	‘T’ Spreading Fitness since 1932 (Logo and Word)	38	Telecommunication s etc as mentioned under Class 38 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
11.	1408471	Talwalkar s Better Value Fitness Limited	‘T’ Spreading Fitness since 1932 (Logo and Word)	41	Education, entertainment etc as mentioned under Class 41 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
12.	1408472	Talwalkar s Better Value Fitness Limited	‘T’ Spreading Fitness since 1932 (Logo and Word)	42	Providing of food and drink etc as mentioned under Class 42 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
13.	1408475	Talwalkar s Better Value Fitness Limited	TALWALKAR S	18	Leather and imitations of leather etc as mentioned under Class 18 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
14.	1408478	Talwalkar s Better Value Fitness Limited	TALWALKAR S	29	Meat, fish, poultry etc as mentioned under Class 29 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
15.	1408480	Talwalkar s Better Value Fitness Limited	TALWALKAR S	31	Agricultural etc as mentioned under Class 31 of the Trademark Rules 2002	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai
16.	1408481	Talwalkar s Better Value Fitness	TALWALKAR S	32	Beer, ale and porter etc as mentioned under Class 32 of the Trademark	Decembe r 23, 2005	Decembe r 22, 2015	Trade Marks Registry, Mumbai

Sl No	Trademark No.	Proprietor	Trademark/ Tradename	Class	Description of goods/services	Validity Period		Issuing Authority
						From	To	
		Limited			Rules 2002			
17.	1408482	Talwalkars Better Value Fitness Limited	TALWALKAR S	38	telecommunications etc as mentioned under Class 38 of the Trademark Rules 2002	December 23, 2005	December 22, 2015	Trade Marks Registry, Mumbai

Trademark applied for but not yet received:

Except as mentioned below, there are no other trademark that have been applied for by us, which are still pending or have not yet been received:

Sr. No.	Trade Mark / Trade Name	Trade Mark Application Number	Class	Date of Application	Issuing Authority
1.	Talwalkars – Logo	1883982	41	November 12, 2009	Trade Marks Registry, Mumbai
2.	Talwalkars Spreading Fitness - Logo	1883983	41	November 12, 2009	Trade Marks Registry, Mumbai

SECTION VII – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors have, pursuant to a resolution passed at its meeting held on November 09, 2009 authorised the Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act.

The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra-ordinary General Meeting of shareholders held on November 09, 2009.

We have also obtained all necessary contractual approvals required for this Issue. For further details, please refer chapter titled “*Government and Other Approvals*” beginning on page 211 of this Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, other companies promoted by our Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoters or their relatives have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

Our Directors do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them except as given below:

One of our Directors, Mr. Mohan Motiram Jayakar was an independent director on the Board of Directors of Krishna Filaments Limited. Krishna Filaments Limited appears on the Reserve Bank of India’s list of wilful defaulters for the period March 31, 2002 to September 30, 2009 for default in payments of Rs.127.60 million to IDBI Bank Limited. However, Mr. Jayakar resigned as director of Krishna Filaments Limited with effect from April 10, 2009 and that now he is in no manner connected or dealing with Krishna Filaments Limited since then.

ELIGIBILITY FOR THIS ISSUE

The Company is eligible for the Issue in accordance with clause (2) of Regulation 26 of the SEBI (ICDR) Regulations, 2009 as some of the conditions enumerated in the said clause are not complied with. The conditions prescribed under clause (2) of Regulation 26 of the SEBI (ICDR) Regulations, 2009 are as follows:

- the Issue is made through the book building process and the Company undertakes to allot at least 50% of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers under sub clause (a)(i) of clause 2 of regulations 26 of the SEBI (ICDR) Regulations, 2009; and
- the minimum post-issue face value capital of the Company is ten crore rupees under sub clause (b)(i) of clause 2 of regulations 26 of the SEBI (ICDR) Regulations, 2009;

Further, in accordance with sub-regulation (4) of Regulation 26 of the SEBI Regulations, we shall ensure that the number of prospective allottees i.e. persons to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000 failing which the entire application monies will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE OF SEBI

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, INDIA

INFOLINE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, INDIA INFOLINE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 15, 2009 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - a. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE**

DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE.**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN RS. 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, THE ALLOTMENT WILL BE MADE ONLY IN DEMAT FORM.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
 - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
 - b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.**

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai at Maharashtra, in terms of Section 56, Section 60 and Section 60(B) of the Companies Act.

Disclaimer Statement from our Company and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.talwalkar.net, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and our Company and the Memorandum of Understanding between the BRLM and our Company.

Our Company and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers, *etc.*

The BRLM & its associates and affiliates may engage in transactions with, & perform services for, our Company and associates of our Company in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Neither our Company nor the Book Running Lead Manager or any Syndicate Member is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs.250 million, pension funds with minimum corpus of Rs. 250 million and the National Investment Fund, and

permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. this Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the Bombay Stock Exchange Limited

BSE has *vide* its letter bearing reference number DCS/IPO/SI/IPO-IP/1340/2009-10 dated February 05, 2010, given permission to this Company to use BSE’s name in this Red Herring Prospectus as one of the stock exchanges on which this Company’s securities are proposed to be listed. BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:-

- warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or
- warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of the Red Herring Prospectus has been submitted to the NSE. NSE has given *vide* its letter ref: NSE/LIST/129214-R dated January 28, 2010 permission to our Company to use NSE’s name in the Red Herring Prospectus as one of the stock exchange on which our securities are proposed to be listed. The NSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid

permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause of CARE

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospectus of the issuer also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Filing

A copy of the Draft Red Herring Prospectus had been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered to the RoC at least 3 (three) days before the Bid / Issue Opening Date. The final Prospectus would be filed with the Corporate Finance Department of SEBI and the RoC at their respective addresses upon closure of this Issue and on finalization of the Issue Price.

Listing

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). In-principle approvals for listing of the Equity Shares of our Company from BSE and NSE have been received *vide* their letters dated February 05, 2010 and January 28, 2010 respectively.

NSE will be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non-Institutional portion and Retail portion.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all money received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it. (*i.e.* from the date of refusal or within 70 days from the Bid/Issue Closing date, whichever is earlier), then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% per annum on the Bid Amount, as prescribed under Section 73 of Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within seven working days of finalisation and adoption of the Basis of Allotment for this Issue.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, a Bid to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Consents

Consents in writing of: our Directors; our Company Secretary and Compliance Officer; our Auditors; Bankers to our Company; Escrow Collection Bank(s); Refund Bank(s); Syndicate Members; IPO Grading Agency; BRLM; the Registrar and the legal advisors to this Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and Section 60B of the Companies Act and such consents have not been withdrawn up to the time of filing of this Red Herring Prospectus with SEBI.

In accordance with the Companies Act and SEBI Regulations, Saraf Gurkar & Associates, our statutory auditors, have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of filing of this Red Herring Prospectus with SEBI.

Saraf Gurkar & Associates, our statutory auditors, have given their written consent to the report on possible tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of filing of this Red Herring Prospectus with SEBI.

Credit Analysis and Research Limited, a SEBI registered credit rating agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of filing of this Red Herring Prospectus with SEBI.

Expert Opinion

Except the report of CARE in respect of the IPO grading of this Issue annexed herewith, our Company has not obtained any expert opinions.

Undertaking from our Promoter and Directors

Our Company accepts full responsibility for the accuracy of the information given in this Red Herring Prospectus and confirms that to the best of our knowledge and belief, there are no other facts, their omission of which make any statement in this Red Herring Prospectus misleading and we further confirm that we have made all reasonable inquiries to ascertain such facts. Our Company further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of the Issue or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this Red Herring Prospectus. Our Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the Equity Shares offered in terms of this Red Herring Prospectus has been suppressed, withheld and/or incorporated in the manner that would amount to misstatement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed /withheld and/or amounts to a misstatement/ misrepresentation, our Promoters/ Directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately Rs. [•] million. The estimated Issue Expenses are as follows:

(Rs. in Millions)

Activity	Expenses*	As a % of Total Issue Expenses	As a % of Total Issue Size
Issue Management Fees (Lead Management, Underwriting & Selling Commission)	[•]	[•]	[•]
Advertisement & Marketing Expenses	[•]	[•]	[•]
Printing, Stationery & Distribution Expenses	[•]	[•]	[•]
IPO Grading Expenses	[•]	[•]	[•]
Others (including Legal Advisors Fee, Auditors Fee, Registrars Fee, SCSB commission, Regulatory Fees including filing fees paid to SEBI and Stock Exchanges)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

* will be completed after finalisation of the Issue price

All expenses with respect to this Issue will be borne by our Company.

Details of Fees Payable

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Engagement Letter dated November 09, 2009 and as stated in the Memorandum of Understanding dated December 07, 2009, executed between our Company and BRLM, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to this Issue will be as per the Memorandum of Understanding dated November 07, 2009, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, Credit Rating Agency & Advertiser etc. will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for this Issue is as set out in the Syndicate Agreement to be entered into between our Company and the BRLM. The underwriting commission shall be paid as set out in the Underwriting Agreement to be entered into based on the Issue Price and amount underwritten in the manner mentioned in the Prospectus. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Previous Rights and Public Issues During Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous issue of shares otherwise than for cash

Save and except as stated in the chapter titled “Capital Structure” beginning on page 15 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage on Previous Issues

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Listed companies under the same Management

There are no listed companies under the same management as our Company within the meaning of Section 370(1B) of the Companies Act, 1956 which have made any capital issues in the last three years.

Promise versus performance for our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Promise versus Performance – Previous Issues of Group Companies.

None of our Group Entities have made any public issues in the past.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

As on the date of filing this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Option to Subscribe

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 15 days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have re-constituted the Shareholders’ / Investors’ Grievance, Share Allotment and Share Transfer Committee of the Board *vide* resolution passed at the Board Meeting held on November 16, 2009. The composition of the Shareholders’ / Investors’ Grievance, Share Allotment and Share Transfer Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Abhijeet Rajaram Patil	Chairman	Independent Director
Mr. Girish Madhukar Talwalkar	Member	Whole-time Director
Mr. Anant Ratnakar Gawande	Member	Whole-time Director and CFO

For further details, please refer to the chapter titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

Our Company has appointed Mr. Niraj Rohitkumar Oza as the Company Secretary and the Compliance Officer and he may be contacted the following address. :

Mr. Niraj Rohitkumar Oza
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai – 400 026,
Maharashtra, India
Tel. No.: + 91 22 6612 6300
Fax No.: + 91 22 6612 6363
Email: ipo@talwalkars.net

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

Changes in Auditors during the last three financial years and reasons therefore

There have been no changes in the Statutory Auditors of our Company during the last three financial years.

Capitalisation of Reserves or Profits

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 15 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the chapter titled “*Statement of Tax Benefits*” beginning on page 46 of this Red Herring Prospectus.

Interest of Promoters and Directors

Promoters

For details, please refer the chapter titled “*Our Promoters and Their Background*” beginning on page 106 of this Red Herring Prospectus.

Directors

For details, please refer the chapters titled “*Our Management*” beginning on page 89 of this Red Herring Prospectus.

Payment or Benefit to Officers of the Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Save and except as disclosed in section titled ‘*Related Party Transaction*’ in this Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VIII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The present Public Issue is of 6,050,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [•]/- per Equity Share (including a share premium of Rs. [•]/- per Equity Share) for cash aggregating to Rs. [•] Million (the “Issue”). The Issue will constitute 25.09 % of the post Issue paid-up capital of the Company.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 3,025,000 Equity Shares must be allotted to QIBs.	Not less than 907,500 Equity Shares	Not less than 2,117,500 Equity Shares
Percentage of Issue Size available for allocation	At least 50% of the Issue (of which 5% shall be reserved for Mutual Funds) subject to the preceding condition that the QIB Portion may be Issue size less allocation to Non-Institutional Bidders and Retail Individual Bidders. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund Portion will be available to QIBs.#	Not less than 15% of the Issue to Public or Issue to Public less allocation to QIB bidders and Retail Individual Bidders*	Not less than 35% of the Issue to Public or Issue to Public less allocation to QIB bidders and Non-Institutional Bidders*
Basis of allocation if respective category is oversubscribed	Proportionate as follows: (a) 151,250 Equity Shares shall be allotted on a proportionate basis to Mutual Funds; and (b) 2,873,750 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 50 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 50 Equity Shares thereafter.	50 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid does not exceed the size of the Issue subject to applicable limits	Such number of Equity Shares in multiples of 50 Equity Shares so that the Bid does not exceed the size of the Issue subject to applicable limits	Such number of Equity Shares in multiples of 50 Equity Shares whereby Bid Amount does not exceed Rs. 1,00,000

Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized Form	Compulsorily in dematerialized Form
Bid Lot	50 Equity Shares and in multiples of 50 Equity Shares thereafter	50 Equity Shares and in multiples of 50 Equity Shares thereafter	50 Equity Shares and in multiples of 50 Equity Shares thereafter
Allotment Lot	50 Equity Shares and in multiples of one Equity Shares thereafter	50 Equity Shares and in multiples of one Equity Shares thereafter	50 Equity Shares and in multiples of one Equity Shares thereafter
Trading Lot/ Market Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply**	A mutual fund, venture capital fund and foreign venture capital investor registered with the Board; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India. Insurance funds set up and managed by army, navy or air force of the Union of India	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, Scientific Institutions, Societies and Trusts	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Member of Syndicate.	Margin Amount applicable to Non-institutional Bidder at the time of submission of (1) Bid cum Application Form to the Member of Syndicate or (2) submission of ASBA form to SCSB***	Margin Amount applicable to Retail Individual Bidder at the time of submission of (1) Bid cum Application Form to the Member of Syndicate or (2) submission of ASBA form to SCSB***
Margin Amount	Atleast 10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding.##	Full Bid Amount on Bidding***	Full Bid Amount on Bidding***

Notes:

The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers

* Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in the Non-Institutional Portion or Retail Portion shall be allowed to be met with spillover from the other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

*** In the case of ASBA bidders the SCSBs shall be authorised to block such funds in the bank account of the ASBA bidders that are specified in the ASBA Forms.

If the aggregate demand by Mutual Funds is less than 151,250 Equity Shares, balance Equity Shares available for allocation in the Mutual Funds Portion will be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIB Bidders.

Bidding / Issue period

BID / ISSUE OPENES ON	Wednesday, April 21, 2010
BID / ISSUE CLOSES ON	Friday, April 23, 2010

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period (i) for non-ASBA Bidders, as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form; and (ii) for ASBA Bidders, at any of the Designated Branches of SCSBs; **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders, Non- Institutional Bidders and (ii) until 5.00 p.m. or till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids at least one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, it may lead to some Bids not being uploaded due to lack of sufficient time to upload them. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 and letter no. NSE/IPO/25101-6 dated July 06, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and Holidays as declared by the exchanges.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band as appearing in the Red Herring Prospectus or as notified two working days prior to the opening of the bid in the newspapers in which the pre issue advertisement was released, as the case may be, and the Cap Price will be revised accordingly. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 50 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate and to the SCSBs.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Red Herring Prospectus, this Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, FIPB and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the other existing Equity Shares of our Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment.

For description of our Articles of Association, please refer the section titled “*Main provisions of the Articles of Association*” beginning on page 296 of this Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

Face Value and Issue Price

The Equity Shares with a Face Value of Rs. 10/- each are being issued in terms of this Red Herring Prospectus at a Price Band of Rs. 123/- to Rs. 128/- per equity share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

The face value of the shares is Rs. 10/- each and the Floor Price is 12.3 times of the face value and the Cap Price is 12.8 times of the face value.

Compliance with SEBI Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, Memorandum and Articles of Association of our Company and the Listing agreements to be entered with the Stock Exchanges.

For further details on the main provisions of our Company’s Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled “*Main Provisions of the Articles of Association*” beginning on page 296 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI Regulations, the trading in the Equity Shares of our Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of 50 Equity Shares. For details of Allocation and Allotment, please refer the paragraph titled “*Basis of Allotment or Allocation*” under chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.

Jurisdiction

The jurisdiction for the purpose of this Issue is with competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in this manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the registered office of our Company or with the Registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the Public including devolvement of the underwriters within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received with interest to the subscribers at the rate of fifteen percent per annum for the period of delay beyond sixty days. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Further, in terms of sub-regulation (4) of Regulation 26 of the SEBI (ICDR) Regulations, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1000. If the number of allottees in the proposed Issue is less than 1000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate 15% per annum for the delayed period.

As per the policy of RBI, Overseas Corporate Bodies cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid / Issue Closing Date, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

If our Company withdraws the issue after closure of bidding, our Company shall file a fresh draft offer document with the Board. In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

Arrangements for Disposal of Odd Lots

Our Company’s shares will be traded in dematerialized form only and therefore the marketable lot is one (1) share. Therefore, there is no possibility of odd lots.

Restriction on Transfer and Transmission of Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer section titled “*Main Provisions of the Articles of Association*” beginning on page 296 of this Red Herring Prospectus.

As per the policy of RBI, Overseas Corporate Bodies cannot participate in the Issue.

Application by Non Residents/NRIs/FIIs

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Fund applicants will be treated on the same basis with other categories for the purpose of Allocation.

As per the policy of the RBI, Overseas Corporate Bodies cannot participate in the Issue.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein atleast 50% of the Issue to Public shall be available for Allocation to Qualified Institutional Buyers, on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid bids being received at or above Issue Price. Further, not less than 35% of the Issue to Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Issue to Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.

Bidders are required to submit their Bids through the members of the Syndicate. ASBA investors intending to subscribe to the issue shall submit a complete ASBA form to the designated branch of the SCSB. Further, QIB bids can be procured and submitted only through the BRLM or their affiliates or Syndicate Members.

We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares will be allotted to successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note ("CAN"), and filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the Registrar of Companies, Maharashtra at Mumbai and as would be required by Registrar of Companies, Maharashtra at Mumbai after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public or NRIs applying on a non-repatriation basis	White
Non-residents, NRIs, FIIs, Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis	Blue
Investors bidding / applying under ASBA	White

In accordance with the SEBI ICDR Regulations, all Investors, other than a QIB, can participate by way of ASBA process.

Who can Bid

a) QIB, Non Institutional and Retail Individual Bidders

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);

2. Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations, as applicable);
6. Venture Capital Funds registered with SEBI;
7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Multilateral and bilateral development financial institutions;
10. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
11. Insurance funds set up and managed by army, navy or air force of Union of India;
12. Eligible NRIs and other Non Residents including FIIs on a repatriation basis or non-repatriation basis subject to applicable laws; and
13. Insurance companies registered with the Insurance Regulatory and Development Authority;
14. Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
15. Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
16. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/ society and who are authorised under their constitution to hold and invest in Equity Shares;
17. Scientific and/ or industrial research organizations authorised under their constitution to invest in Equity Shares;
18. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue; and
19. Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

Participation by associates of the BRLM & Syndicate Members

The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Under the SEBI (Venture Capital Funds) Regulations, 1996, a venture capital fund may raise monies from any investor, whether (i) Indian, (ii) foreign or (iii) non-resident Indian, by way of issue of units. In this Issue, venture capital funds, which have raised monies from foreign and non-resident Indian investors (i.e., categories (ii) and (iii) above) are not eligible to participate.

As per the existing policy of the Government of India, OCBs are not allowed to participate in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

The information above & otherwise contained in this section as regards investment laws, investments limits, etc. as applicable to various categories of investors is given for the benefit of Bidders. Our Company, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus.

How to Apply – Availability of Forms, Red Herring Prospectus and Mode of Payment

BIDS BY MUTUAL FUNDS

An eligible bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than the 151,250 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the

aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

BIDS BY ELIGIBLE NRIs

Bid cum Application Forms has been made available for Eligible NRIs at the Registered office of our Company and members of the Syndicate.

Bids by NRIs for a Bid Amount of up to or less than Rs. 100,000 would be considered under the Retail Individual Bidders Portion for the purposes of Allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non Institutional Bidder Portion for the purposes of Allocation; by FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 50 Equity Shares thereafter so that the Bid Amount exceeds Rs. 100,000; For further details please refer to paragraph titled "*Maximum and Minimum Bid Size*" under chapter titled "*Issue Procedure*" beginning on page 251 of this Red Herring Prospectus

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange or by debit to their NRE/FCNR accounts shall be considered for allotment under the Eligible NRI category on repatriable basis. Eligible NRIs intending to participate in the bidding process shall ensure that their foreign address is registered with their depository participant or furnished on the Bid-cum-Application form. Post Allotment, if any, on repatriable basis, our Company is required to file FC-GPR with the Reserve Bank of India through an authorised dealer along with a KYC (Know Your Client) report issued by their banker. Eligible NRIs who may be Allotted Equity Shares of our Company in the Issue are required to facilitate the issue of the above said report to be furnished to RBI. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians (White in colour) and shall not use the forms meant for reserved category. All instruments accompanying bids shall be payable in Mumbai only.

BIDS BY FIIs

As per current regulations, the following restrictions are applicable for investment by FIIs:

No single FII can hold more than 10% of the Post-Issue paid-up capital of our Company (i.e. 10% of 24,115,672 Equity Shares of Rs. 10 each). In respect of an FII investing in the Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

As of now, in accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. The current limit as approved by the Board of Directors and the shareholders of TBVFL by way of a special resolution, the aggregate FII holding can go up to 49%. With the further approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-account may issue, deal or hold, off-shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any

stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Sub-accounts of FII's who are foreign corporate or foreign individuals are not QIBs, and hence cannot Bid in the QIB portion in the Issue.

Associates and affiliates of the Underwriter, including the BRLM and Syndicate Members that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue

BIDS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 as amended and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 as amended prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

Pursuant to the SEBI Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock in requirements only if the shares have been held by them for atleast one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations, and our Company and the BRLM shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter, subject to maximum Bid amount of Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the maximum Bid Amount is more than Rs. 1,00,000 due to revision of the Bid or revision of Price Band or on exercise of the option, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 50 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off' price.

Refund amounts following a permitted withdrawal of a bid shall be made in the manner described under paragraph "Payment of Refund".

Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.

Bidders are advised to ensure that any single bid from them does not exceed the investment limit or maximum number of equity shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for Bidders

- (a) Our Company will file the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai atleast 3 days before the Bid/ Issue Opening Date.
- (b) Our Company and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and the same shall also be published in three newspapers (one each in English, Hindi and Marathi). Further, the Price Band and minimum bid lot size shall be disclosed atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009.
- (c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered office or from any of the BRLM/Syndicate Member.
- (e) Investors who are interested in subscribing for our Company's Equity Shares should approach the BRLM or Syndicate Member or their authorised agent(s) to register their Bid.
- (f) The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.
- (h) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to SCSBs, BSE and NSE, by issuing a public notice in three widely circulated newspapers (one each in English and Hindi) and one newspaper in the regional language, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members.
- (i) The Price Band has been fixed at Rs. 123/- to Rs. 128/- per Equity Shares of Rs. 10 each, Rs. 123/- being the lower end of the Price Band and Rs. 128/- being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One)
- (j) Our Company in consultation with the BRLM, reserve the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Regulations. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.
- (k) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (l) For ASBA Process, please refer to the paragraph titled "Issue Procedure for ASBA Bidders" under chapter titled "Issue Procedure" beginning on page 251 of this Red Herring Prospectus.

Method and Process of Bidding

- (a) Our Company and the BRLM shall disclosed the Price Band and minimum bid lot size, atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009. The BRLM and Syndicate Member shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) by indicating on the website of the BRLM and at the terminals of the members of the Syndicate. The Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.
- (c) During the Bidding Period, Bidding Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid

Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

- (d) The Bidder cannot bid on another Bid cum Application Form after such Bidder’s Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “*Build up of the Book and Revision of Bids*” under “*Issue Procedure*” beginning on page 251 this Red Herring Prospectus.
- (e) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- (f) Along with the Bid cum Application Form, all Bidders will be required to make payment in the manner described under the paragraph “*Terms of Payment and payment into the Escrow Accounts*” beginning on page 258 of this Red Herring Prospectus.
- (g) The BRLM and Syndicate Member will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. It is the responsibility of the Bidder to obtain the TRS from the members of the Syndicate.

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. 123/- to Rs. 128/- per Equity Share of Rs. 10 each, Rs. 123/- being the Floor Price and Rs. 128/- being the Cap Price.
- (b) The Price Band and minimum bid lot size shall be disclosed, atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009. The Bidders can bid at any price with in the Price Band, in multiples of Re 1.
- (c) In accordance with SEBI Regulations, our Company in consultation with the BRLM can revise the Price Band by informing the Stock Exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three additional working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
- (d) Our Company in consultation with BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders. The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% of the Cap Price and the Floor Price disclosed in the Red Herring Prospectus or as notified two working days prior to the opening of the bid in the newspapers in which the pre issue advertisement was released, as the case may be, and the Cap Price will be revised accordingly. Our Company can finalise the issue price in consultation with the BRLM without the prior approval of, or intimation to the bidders.
- (e) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual may bid at “Cut-off”. However, bidding at “Cut-off” is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- (f) Retail Individual Bidders, who bid at the Cut- Off agree that they shall purchase the Equity Shares at the Issue price. Retail Individual Bidders bidding at Cut-Off shall submit the Bid cum Application form with cheque/ demand draft for the Bid Amount based on the Cap of the Price Band in with the Syndicate Member. In the

event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who bid at the Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the respective Refund Account.

- (g) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing a press release and making available this information on the Bidding terminals.
- (h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be within the range of Rs. 5,000 to Rs. 7,000. The Issuer Company in consultation with the BRLM shall stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range of minimum application value.
- (i) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original bid amount plus additional payment does not exceed Rs.100,000, if the bidder wants to continue to bid at Cut-Off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non Institutional portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cutoff Price.
- (j) In case of an upward revision in the Price Band announced as above, the ASBA Bidders could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (k) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.
- (l) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed revision Form which is a part of the Bid cum Application Form. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (m) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- (n) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (o) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds

through RTGS for the incremental amount in QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

- (p) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. ***It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.***
- (q) In case of discrepancy of data entered in the electronic book vis-à-vis the data contained in the physical bid form, for a particular bidder the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment.
- (r) Please refer the paragraph titled “*Issue Procedure for ASBA Bidders*” under chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.

Escrow Mechanism (Not Applicable to ASBA Investors)

Escrow Account for the Issue:

Our Company and members of Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Accounts. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account and the Refund Account with the Bankers to the Issue as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus. Payment of refunds to the Bidders shall be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Book Running Lead Manager, Members of the Syndicate and the Registrar to the Issue to facilitate collections from the Bidders.

For ASBA Process, please refer to the paragraph titled “*Issue Procedure for ASBA Bidders*” under chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.

Terms of Payment and Payment into the Escrow Accounts (Not Applicable to ASBA Investors)

Each Bidder shall provide the applicable Margin Amount, and shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (please refer to the paragraph titled “*Payment Instructions*” under chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their QIB Margin Amount only to the BRLM. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account maintained by the Refund Banker, and not later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders (i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the chapter titled “*Issue Structure*” beginning on page 244 of this Red Herring Prospectus. After the Bid/Issue Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called from the QIB Bidders. If such additional margin money is not paid into the appropriate Escrow Account within the time and in the manner stipulated above, the Bid of such QIB Bidder is liable to be rejected. Further we may call for additional Margin amount

over and above the minimum prescribed 10% Margin Amount from certain QIBs at our discretion prior to acceptance of the Bid anytime upto the Bid/Issue Closing date and shall have the right to reject such bids on technical ground in case of non-receipt of such additional margin. The Margin Amount payable by each category of Bidders will be 10% of the total Bid amount applicable and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares Allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM, and would be specified in the CAN. If the payment is not made favoring the relevant Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable margin amount for bidder is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the bid/issue closing date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

For ASBA Process, please refer paragraph titled “*Issue Procedure for ASBA Bidders*” under chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.

Electronic Registration of Bids (not applicable to ASBA Investors except for sub- clauses (h) & (i), which are applicable to all categories of investors)

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be atleast one on-line connectivity in each city, where a Stock Exchange is located in India and where Bids are being accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorised agents during the Bidding Period. Syndicate members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the syndicate shall upload the Bids till such time as maybe permitted by the Stock Exchanges.
- (c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE’s website at “www.bseindia.com” or on NSE’s website at “www.nseindia.com” during the bidding period.
- (d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:

Name of the investor (Investors should ensure that the name given in the Bid cum Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form)

- Investor Category such as Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Number of Equity Shares bid for
 - Bid price
 - Bid-cum-Application Form number
 - Whether Margin Amount has been paid upon submission of Bid cum Application Form
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options. It is the Bidder’s responsibility to request and obtain the TRS from the members of the Syndicate. The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or our Company.
 - (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 - (g) The BRLM may reject a bid placed by a QIB for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In

case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 271 in this Red Herring Prospectus.

- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.
- (j) Only bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/allotment. In case of discrepancy of data between the BSE and NSE and the members of syndicate, the decision of the BRLM based on the physical records of Bid Applications Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of the market demand for the Equity Shares, by way of the Book Building Process. The Price Band will be decided by us in consultation with the BRLM and inserted in the Red Herring Prospectus filed with RoC.

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three days, subject to the total bidding period not exceeding ten working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the Floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus or as notified two working days prior to the opening of the bid in the newspapers in which the pre issue advertisement was released, as the case may be, and the Cap Price will be revised accordingly.
- (d) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two national newspapers (one each in English and Hindi) and one local newspaper and also indicating the change on the relevant websites and the terminals of the members of the syndicates.
- (e) During the Bidding Period, any Bidder who has registered its interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (f) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in such Bidder's Bid cum Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (g) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

- (h) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of bid at the time of one or more revision by the QIB bidders.

When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

- (i) Only bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the of our Company, in consultation the Book Running Lead Manager, and the Designated Stock Exchange, based on physical records of Bid cum Application Forms shall be final and binding to all concerned.

Option to Subscribe

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerlised form only. Bidders will not have the option of getting the allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerlised segment of the Stock Exchanges.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company in consultation with the BRLM shall finalise the “Issue Price” and the number of Equity Shares to be allotted in each investor category.
- (c) The Allocation for QIBs, atleast 50% of the Issue to Public, of which 5% shall be reserved for Mutual Funds would be proportionate. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue to Public, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) ***The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers.***
- (e) Under subscription, if any, in any of the categories other than the QIB Portion, would be allowed to be met with spill over from any of the other category or combination of categories by our Company, in consultation with the BRLM and Designated Stock Exchange in accordance with applicable laws, rules, regulations and guidelines. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids, for further details please refer the paragraph titled “*Basis of Allotment and Allocation*” under chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.
- (f) The BRLM, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company in consultation with the BRLM reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Board meeting for allotment without assigning any reason whatsoever.
- (h) Our Company in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting such Bid shall be provided to such Bidder in writing.
- (i) Allocation to QIBs, Non-residents, FIIs and Eligible NRIs applying on repatriation basis will be subject to the terms and conditions stipulated by the RBI, FIPB, if any while granting permission for Allotment of Equity Shares to them.

- (j) In terms of SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (k) The Allotment details shall be put up on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the QIB Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with Registrar of Companies, Maharashtra at Mumbai, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects

Filing of the Prospectus with the ROC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations in an English national daily with wide circulation, one Hindi national newspaper and one regional language newspaper.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai in two widely circulated newspapers (one each in English and Hindi) and one local newspaper. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been Allocated Equity Shares in the Issue. The approval of the basis of allocation by Designated Stock Exchange for QIB Bidders maybe done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders, Non Institutional Bidders. However, investors should note that, we shall ensure that the date of Allotment of the Equity Shares to all the investors in this issue shall be done on the same date. The BRLM or Registrar to the Issue shall send to the Syndicate Member a list of their Bidders who have been allocated Equity Shares in the Issue.
- (b) The BRLM or Syndicate Member would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those QIB Bidders who have not paid the Bid Amount in full into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- (d) The issuance of CAN is subject to "Notice to QIB's: Allotment Reconciliation" as set forth below.

Notice to QIBs: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids received and uploaded on the BSE/NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) We shall ensure the allotment of Equity Shares is done within 15 days of Bid/Issue Closing Date.
- (b) After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, we would ensure the credit to the successful bidders depositories account of the allotted Equity Shares to the allottees within two working days of the date of allotment. In case we fail to make allotment within 15 days of the Bid/ Issue Closing Date, interest would be paid to the investors @15% p.a.
- (c) All allottees will receive credit for the Equity Shares directly in their depository account. **As per SEBI Regulations, equity Shares will be issued only in the dematerialized form to the Allottees.** Allottees will have the option to rematerialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account to them pursuant to Allotment in this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulation, guidelines and approvals and the terms of this Red Herring Prospectus.
- (b) Complete the Bid cum Application Form(White or Blue in Colour, as the case may be) after reading all the instructions carefully;
- (c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- (d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- (e) Ensure that you have been given a TRS for all your Bid options;
- (f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (g) Ensure that the Bid is within Price Band;
- (h) Ensure that DP account is activated;

- (i) Investors must ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form;
- (j) Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. Every Applicant in this issue should hold a valid PAN Card and must quote a valid PAN number while making an application in this issue. Without this information the documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit their GIR number instead of the PAN as the bid is liable to be rejected on this ground.**
- (k) If you have mentioned “applied for” or “not applicable” in the Bid-cum-Application Form in the section dealing with PAN number ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof; and
- (l) Ensure that the demographic details as registered with your Depository participant are updated, true and correct at all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the member of the Syndicate;
- (d) Do not pay the Bid amount in cash, through stockinvest, by money order or by postal order;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to members of the Syndicate only;
- (f) Do not Bid at Cut-off Price (for QIBs and non-institutional bidders);
- (g) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- (h) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; or under the terms of this Red Herring Prospectus.
- (i) **Do not submit the GIR number instead of the PAN as the bid is liable to be rejected on this ground.**
- (j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

- (k) Do not bid at Bid Amount exceeding Rs 100,000 for incase of a Bid by a Retail Individual Bidder.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the BRLM or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for resident Indians and blue for Non-residents including NRIs, FIIs, Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis.)
- (b) In single name or in joint names (not more than three and in the same order as their Depository Participant details.
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (d) The Bids from the Retail Individual Bidders must be for a minimum of 50 Equity Shares and in multiples of 50 thereafter subject to a maximum Bid amount of Rs. 1,00,000.
- (e) For Non-institutional and QIB Bidders, Bids must be for a minimum of such number of equity shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 50 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- (f) In single name or in joint names (not more than three) and in the same order as their Depository Participant details.
- (g) Thumb impressions and signatures other than in the languages specified in the eighth schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (h) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of 50 Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.
- (i) Bids by Non Residents, NRIs and FIIs, FVCIs, multilateral and bilateral development financial institutions on a repatriation basis shall be in the names of individuals, or in the names of FIIs, FVCIs multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids and revision of the Bids by Eligible NRIs and FIIs on Repatriation Basis

Eligible NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- (a) Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office or from members of the Syndicate or the Registrar to the Issue.
- (b) NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.
- (c) NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour).

Bids and revision to bids must be made:

- On the Bid cum Application Form or Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single or joint names (not more than three and in the same order as their Depository Participant details).
- Bids by Eligible NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount of more than or equal to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 50 Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the paragraph titled “Maximum and Minimum Bid Size” under chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus.
- By FIIs for a minimum of such number of Equity Shares and in multiples of 20 thereafter that the Bid Amount exceeds Rs. 100,000. For further details please refer to the chapter titled “Issue Procedure” beginning on page 251 of this Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals (excluding NRIs) or their nominees or OCB’s.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid cum Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bidder’s Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) and occupation (hereinafter referred to as ‘Demographic Details’). These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through direct credit or ECS. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Bank or the Escrow Collection Banks nor the Company shall be liable to pay any interest for such delay or shall have any responsibility and undertake any liability for the same.

Bidder’s Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME,

DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN, WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS or direct credit and occupation ("Demographic Details"). These bank account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so can result in delay in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor our Company shall be liable to pay any interest for such delay or have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/allocation advice and printing of bank particulars on the refund order and the demographic details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs/refund advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company nor the Escrow Collection Bank nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. **In case of refunds through electronic mode as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. Further, there is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

The information above is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus.

Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids under Power of Attorney

- a) In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
- b) In case of the Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.
- c) In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
- d) In case of Bids made by provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
- e) In case of Bids made by Mutual Funds registered with SEBI, Venture Capital fund registered with SEBI and Foreign Venture Capital Fund registered with SEBI, a certified copy of the SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms that we may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs/ Allocation Advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from depositories.

Payment Instructions *(not applicable to ASBA Investors)*

We shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Payment into Escrow Account *(not applicable to ASBA Investors)*

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

1. The Bidders for whom the applicable margin is equal to 100% shall, along with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the

Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.

3. The payment instruments for payment into the Escrow Account shall be marked “A/c payee only ” and shall be payable at the place of bidding and should be drawn in favour of:

In case of Resident QIB Bidders: **“TBVF Escrow Account - QIB - R”**

In case of Non Resident QIB Bidders: **“TBVF Escrow Account - QIB - NR”**

In case of Resident Non-Institutional and Retail Individual Bidders: **“TBVF Escrow Account - R”**

In case of Non-resident Non-Institutional and Retail Individual Bidders: **“TBVF Escrow Account - NR”**

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that this draft has been issued by debiting an NRE or FCNR Account.
5. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that this draft has been issued by debiting the Special Rupee Account.
6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder by the Refund Bank from the Refund Account.
7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and the surplus amount if any shall be transferred into the Refund Account maintained with the Refund Banker for the benefit of the Bidders entitled to a refund.
9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
10. **Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted. Investors in the QIB Category may also make payment by RTGS.**
11. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which and our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. At the time of submission of Bid cum Application Form and Revision Form, each member of the Syndicate shall collect the 10% or 100% Margin Amount as may be applicable.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address, as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid cum Application Form for bidding in this Issue. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form and create an address master.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.
7. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.
8. In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.

9. We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

The SEBI Regulations stipulate that all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid cum Application Form (including the ASBA Form), irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected.

Therefore, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act.

Bid-cum-Application Forms (including the ASBA Form) without PAN number will be considered incomplete and are liable to be rejected. In terms of SEBI Circular bearing no. MRD/DoP/Cir-20/2008 dated June 30, 2008, certain categories of investors (namely the Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government)) shall be exempted from submitting their PAN, only if such organisations submit sufficient documentary evidence to support the veracity of their claim for such exemption

Unique Identification Number ("UIN")

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Right to Reject Bids

In case of QIB Bidder's, our Company, in consultation with the BRLM may reject a Bid placed by QIB's for reasons to be recorded in writing provided the rejection is made at the time of submission of Bid and the reasons thereof shall be disclosed to the QIB Bidder's. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made in accordance with the paragraph titled "*Mode of making refunds*" under chapter titled "*Issue Procedure*" beginning on page 251 of this Red Herring Prospectus.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of Partnership firms, Equity shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply.
4. NRIs, except Eligible NRIs.
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
6. PAN Number/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given regardless of the size of the Bid;
7. GIR number furnished instead of PAN;
8. Bids for lower number of Equity Shares than specified for that category of investors;

9. Bids at a price less than lower end of the Price Band;
10. Bids at a price more than the higher end of the Price Band;
11. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
12. Bids by QIBs that are not submitted through the BRLM;
13. Bids for number of Equity Shares which are not in multiples of 50;
14. Category not ticked;
15. Multiple Bids as defined in this Red Herring Prospectus;
16. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
17. Bids accompanied by Stock Invest/ money order/postal order/cash;
18. Signature of sole and / or joint Bidders missing;
19. Bid cum Application Form does not have the stamp of the BRLM or Syndicate Member;
20. Bid cum Application Form does not have bidder's depository account details;
21. In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant identification number and beneficiary account number;
22. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Form;
23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For details, please refer the paragraph titled "*Maximum and Minimum Bid Size*" under chapter titled "*Issue Procedure*" beginning on page 251 of this Red Herring Prospectus;
24. Bids by OCBs
25. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act; and
26. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.
27. Bids by QIBs not submitted through the members of the syndicate.
28. Bid by U.S. residents or U.S persons or other than in reliance on Regulation S under the Securities Act;
29. Bids in respect where the Bid cum Application form do not reach the Registrar prior to the finalisation of the basis of allotment;
30. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
31. Bids by persons who are not eligible to acquire Equity Shares of our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.
32. Bids by NRIs not disclosing their residential status.
33. Bids by Non-residents such as OCBs, FVCIs, multilateral and bilateral development financial institutions;
34. Banks account details not given;

35. Signature of sole and/ or joint Bidders missing;
36. Bid cum Application Forms does not have the stamp of the BRLM, or Syndicate Members;
37. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
38. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
39. Bids or revisions thereof by QIB Bidders, Non Institutional Bidders where the Bid Amount is in excess of Rs. 100,000, uploaded after 4.00 pm on the Bid/ Issue Closing Date;
40. Bids by investors who are not eligible to bid using the ASBA Process

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- (a) A Tripartite agreement dated January 31, 2008 with NSDL, us and Intime Spectrum Registry Limited, Registrar to the Issue;
- (b) A Tripartite agreement dated January 23, 2008 with CDSL, us and Intime Spectrum Registry Limited, Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

It is important that:

- a) A Bidder applying for Equity Shares must have atleast one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid
- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrar to this Issue.
- f) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- h) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i) The trading of the Equity Shares of our Company would be in dematerialized form only for all investors.

Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- b. otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allotment or Allocation

(A) For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue to Public less allocation to Non-Institutional and QIB Bidders (subject to minimum subscription of 50% of the Issue) shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,117,500 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 2,117,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 50 Equity Shares and multiples of one Equity Shares thereafter. For the method of proportionate basis of allotment, refer below.

(B) For Non-Institutional Bidders

- Bids received from Non Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue to Public less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 907,500 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 907,500 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 50 Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allotment, refer below.

(C) For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The Issue to Public less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders (subject to minimum subscription of 50% of the issue) who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Portion shall be determined as follows;
 - (i). In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto 5% of the QIB Portion.
 - (ii). In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 - (iii). Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

(b) In the second instance allocation to all QIBs shall be determined as follows:

- (i). In the event of the over-subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for not less than 95% of the QIB Portion.
- (ii). Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
- (iii). Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

(c) The aggregate allocation to QIB Bidders shall not be less than 3,025,000 Equity Shares.

The Issuer undertakes to allot at least 50% of the Net Offer to Public to Qualified Institutional Buyers and to refund full subscription monies if it fails to make allotment to the Qualified Institutional Buyers. Except for any shares allocated to QIB Bidders due to under subscription in the Retail Portion and Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis up to the extent of 3,025,000 Equity Shares and in multiples of 1 (One) Equity Share thereafter. For the method of proportionate basis of Allocation refer below.

The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time Schedule for allotment and demat credit of Equity

The Issue will be conducted through a “100% Book Building Process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on Wednesday, April 21, 2010 and expire on Friday, April 23, 2010. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Regulations require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event the Issue is over-subscribed, the basis of allotment shall be finalised by our Company in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalised in a fair and proper manner. Allotment to Bidders shall be as per the basis of allocation as set out in the Prospectus under “Issue Structure”.

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of bidders in the category multiplied by number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum allotment of 50 Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- d) In case the proportionate allotment to any Bidders is in fractions, then the same would be rounded off to nearest integer.
- e) In all bids where the proportionate allotment is less than 50 per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 50 Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- f) If the proportionate allotment to a Bidder is a number that is more than 50 but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If the number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- g) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising of bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	100 million equity shares
2.	Allocation to QIB (50%)	50 million equity shares
	Of which:	
	a. Allocation to MF (5%)	2.5 million equity shares
	b. Balance for all QIBs including MFs	47.5 million equity shares
3.	No. of QIB applicants	10
4.	No. of shares applied for	250 million equity shares

B. Details of QIB Bids

Sr. No	Type of QIB bidders#	No. of shares bid for (in millions)
1.	A1	25
2.	A2	10
3.	A3	65
4.	A4	25
5.	A5	25
6.	MF1	20
7.	MF2	20
8.	MF3	40
9.	MF4	10
10.	MF5	10
	Total	250

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in millions)

Type of QIB bidders	Shares bid for	Allocation of 3 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 57 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	25	0	5.77	0
A2	10	0	2.31	0
A3	65	0	15.00	0

A4	25	0	5.77	0
A5	25	0	5.77	0
MF1	20	0.60	4.48	5.08
MF2	20	0.60	4.48	5.08
MF3	40	1.20	8.95	10.15
MF4	10	0.30	2.24	2.54
MF5	10	0.30	2.24	2.54
	250	3.00	57.00	25.38

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the chapter titled “Issue Structure” beginning on page 244 of this Red Herring Prospectus.
2. Out of 50 million Equity Shares allocated to QIBs, 2.5 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 100 shares in QIB category.
3. The balance 47.5 million Equity Shares (i.e. 50-2.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 250 Equity Shares (including 5 MF applicants who applied for 100 Equity Shares).
4. The figures in the fourth column titled “Allocation of balance 47.5 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 47.5 / 247.5
 - For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 47.5 / 247.5
 - The denominator for arriving at allocation of the balance 57 million Equity Shares to the 10 QIBs are reduced by 2.5 million Equity Shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.
 - The numerator for arriving at allocation of balance 57 million Equity Shares to the Mutual Fund applicants is reduced by the respective number of Equity Shares already allotted to each Mutual Fund in the manner specified in column III of the table above. Funds in the manner specified in column III of the table above.

Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant-Identification (DP ID) number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor our Company nor the Escrow Collection Banks nor the Refund Bank nor the Registrar shall have any responsibility and undertake any liability for the same.

Mode of making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

- **ECS** — Payment of refund would be done through ECS for applicants having an account at any of the following 68 centres Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram, Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (non MICR), Pondicherry, Hubli, Shimla (non- MICR), Tirupur, Sholapur, Burdwan (non – MICR), Durgapur (non- MICR), Ranchi, Tirupati (non –MICR), Dhanbad (non- MICR), Nellore (non-MICR), Kakinada (non- MICR), Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur , Gorakhpur, Jammu, Indore, Pune, Salem, Jamshedpur, Visakhapatnam, Mangalore, Coimbatore, Rajkot, Kochi/Ernakulam, Bhopal, Madurai, Amritsar, Haldia (non-MICR), Vijaywada, Bhilwara . This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 68 centres as mentioned in SEBI circular no. **SEBI/ CFD/DILDIP / 29 / 2008 /01/02** dated **February 1, 2008** named hereinabove, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit , NEFT or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.

- **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

Our Company, in consultation with the BRLM and the Registrar may decide to use the National Electronic Funds Transfer ("NEFT") facility for payment of refunds.

- **Direct Credit**—Applicants having their bank account with the Refund Bank shall be eligible to receive refunds, if any, through Direct Credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
- **RTGS**—Applicants having a bank account at any of the 15 centres namely Ahmedabad, Bangalore, Bhuvaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram and whose refund amount exceeds Rs. 1 million, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event of failure to provide the IFSC code in the Bid cum Application Form, the refund shall be made through the ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
- Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be despatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand draft drawn on the Escrow Collection Banks and payable at par at places where bids are received. Bank Charges, if any, for cashing such cheques, pay order or demand drafts at other centres will be payable by the Bidders.

The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the Depositories' database and hence bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the Depository level are updated and correct.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account of the successful bidder with Depository Participants and submit the documents pertaining to the listing of the Equity Shares to the Stock Exchanges within two (2) working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 68 centres as mentioned above and who have registered the nine digit MICR code of their bank branch with their depository participant will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post only at the sole or First Bidder's sole risk within fifteen (15) days of the Bid/Issue Closing Date and adequate funds for the purpose shall be made available to the Registrar by us. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through "Under Certificate of Posting" intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund, within 15 days of closure of Issue.

Our Company shall ensure despatch of refund orders/refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Regulations, our Company and the Selling Shareholders further undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Despatch of refund orders/ refund advice shall be done within 15 days from the Issue Closing Date; and
- Our Company and the Selling Shareholders shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not despatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15 day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.
- Our Company will provide adequate funds required for the cost of despatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue.

Save and except refunds affected through the electronic mode i.e ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders. However, charges levied by the Refund Bank for electronic payments such as ECS, direct credit, RTGS or NEFT would be borne by our Company.

Disposal of Applications and Applications Money and Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders/ instruction to Self Certified Syndicate Banks by the Registrar

Our Company shall ensure dispatch of allotment advice and/or refund orders/ refund advice (except for Bidders who receive refunds through electronic transfer of funds) as the case may be and give credit to the beneficiary account with their respective Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of Allotment. In case of applicants who receive refund through ECS, direct credit or NEFT, RTGS, the refund instruction will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;
- Dispatch of refund orders within 15 (fifteen) days of the Bid /Issue Closing Date would be ensured; and
- Our Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen) day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Regulations.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate Member will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Save and except refunds effected through the electronic mode i.e. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, payorders, or demand drafts drawn on a bank appointed by us, as a refund bank, and payable at par at places where Bids are received, except for bidders who have opted to receive refunds through the electronic facility.

Bank charges if any, for encashing such cheques, payorders or Demand drafts at other centres will be payable by the company.

Interest in Case of Delay in Dispatch of allotment letters/ Refund Orders

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest @15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

Interest on Refund of Excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date.

Undertaking by our Company

We undertake as follows:

- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.
- That the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- That the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us;
- That where refunds are effected through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund.
- That refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs within the specified time.
- That no further issue of Equity Shares shall be made, save and except as disclosed in the Red Herring Prospectus, till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.
- That our Company shall not have any access to the Issue Proceeds until the approval for Trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
- That at any given time there shall be only one denomination for the shares of our Company
- That we shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested.
- details of all unutilized monies out of the funds received under the reservations shall be disclosed under a separate head in the balance sheet of our Company indicating then form in which such unutilized monies have been invested.
- we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Rectification of Register of Members

Our Company, under Section 111A of the Act will have the right to rectify the register of members to comply with the Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the construction and engineering sector is permitted upto 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of Equity Shares to be issued is not less than the price at which Equity Shares are issued to residents. In our Company, as on date aggregate FII holding cannot exceed 24% of the total Issued Share Capital.

Subscription by foreign investors (NRIs/FIIs)

There is no reservation for Non Residents, NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FIIs and foreign venture capital funds, multilateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Bidder (other than a QIB) shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. On submission of the ASBA Bid cum Application Form, the ASBA Bidders are deemed to have authorised (i) the SCSB to do all acts as are necessary to make the Application in the Offer, including uploading his/her Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, transfer of funds to the Public Issue Account on receipt of instruction from the Registrar to the Issue after finalisation of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA Bid cum Application Form, upon finalisation of the basis of Allotment.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid

In accordance with the SEBI Regulations, all Bidders (other than a QIB) can submit their application through ASBA process to Bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter. ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders.

Information for the ASBA Bidders:

- (a) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form SCSBs shall make the same available on their websites.
- (b) ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- (c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- (d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.
- (e) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the application.
- (f) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- (g) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

- (a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and this Red Herring Prospectus.
- (b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (c) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

- (d) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (e) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“TRS”). The TRS shall be furnished to the ASBA Bidder on request.
- (f) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

Bidding

- (a) The Price Band has been fixed at Rs. 123/- to Rs. 128/- per Equity Share of Rs. 10/- each, Rs. 123/- being the Floor Price and Rs. 128/- being the Cap Price. The Price Band and minimum bid lot size shall be disclosed, atleast two days prior to Bid/Issue Opening Date in three newspapers (one each in English, Hindi and Marathi). This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the of the SEBI (ICDR) Regulations, 2009. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form.
- (b) In accordance with the SEBI Regulations, our Company, in consultation with the BRLM reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.
- (d) Our Company in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- (e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- (f) In case of an upward revision in the Price Band, announced as above, the ASBA Bidders who had Bid at Cut-off Price could either (i) revise their ASBA Bid or (ii) instruct to block additional amount based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the Controlling Branch or Designated Branch of the SCSBs to whom the original ASBA Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional amount blocked) exceeds Rs. 100,000 for Retail Individual Bidders will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the ASBA Bidder does not either revise the ASBA Bid or instruct to block additional amount and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional amount would be required to be blocked from the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- (a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless;
 - (i) it has received the ASBA Bid Cum Application Form in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA Bid cum Application Form or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- (d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Details of bid options, (a) number of equity shares for each Bid, (b) Bid rate for each Bid;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

- (e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- (h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- (i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- (a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM and the Stock Exchanges on a regular basis.
- (c) During the Bid/Issue Period, any ASBA Bidder who has registered his/ her or its interest in the Equity Shares at a particular price level is free to revise his/ her or its Bid within the Price Band using the printed ASBA Revision Form, which is a part of the ASBA Bid cum Application Form. Revisions can be made in both the desired number of Equity Shares and the Bid Amount (including the price per Equity Share) by using the ASBA Revision Form. Apart from mentioning the revised options in the revision form, the ASBA Bidder must also mention the details of all the options in his/ her or its ASBA Bid cum Application Form or earlier ASBA Revision Form. For example, if an ASBA Bidder has Bid for three options in the ASBA Bid cum Application Form and he is changing only one of the options in the ASBA Revision Form, he must still fill the details of the other two options that are not being revised, in the ASBA Revision Form. The SCSB will not accept incomplete or inaccurate Revision Forms.
- (d) The ASBA Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.
- (e) Any revision of the Bid shall be accompanied by an instruction to block the incremental amount on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be unblocked by the SCSB.
- (f) When an ASBA Bidder revises his/her or its Bid, he/she or it shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (g) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs.

In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

- (h) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the chapter titled “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, Hindi national newspaper of wide circulation and a Marathi newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

Once the basis of allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (a) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in sub para(ii) above, shall be transferred to the Public Issue Account, (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. The SCSBs shall then unblock the relevant bank accounts for, (a) the transfer of the requisite money to the Public Issue Account against each valid ASBA, (b) the withdrawn/rejected/unsuccessful ASBA Bids, (c) the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders’ within two working days from the date of Allotment.
- (b) As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are an Investor eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- (d) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- (e) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM to the Issue.
- (f) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (g) Ensure that you have mentioned the correct bank account numbers in the ASBA Bid cum Application Form.
- (h) Ensure that you have funds equal to Bid Amount available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (i) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (k) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- (l) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- (m) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not submit an ASBA Bid if you are a QIB.
- (b) Do not Bid for lower than the minimum Bid size.
- (c) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (d) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- (e) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (f) Do not submit the GIR number instead of the PAN Number.
- (g) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- (a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- (d) The Bids must be for a minimum of 50 Equity Shares and in multiples of 50 Equity Shares thereafter subject to a maximum of [•] Equity Shares such that the Bid Amount does not exceed the maximum investments limits prescribed under law.

- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by ASBA Investors

Application for bids to the Issue can also be made through an alternate process of bidding introduced by SEBI known as Application Supported by Blocked Amount (ASBA). An ASBA investor shall submit an ASBA physically or electronically through the internet banking facility, to the SCSB with whom the bank accounts to be blocked, is maintained. The SCSB will then block the application money in the bank account specified in the ASBA, on the basis of an authorisation to this effect given by the account holder in the ASBA. The application money will remain blocked in the bank account till finalisation of the basis of Allotment in the Issue or till withdrawal/ failure of the Issue or till withdrawal/ rejection of the application, as the case may be. The application data will thereafter be uploaded by the SCSB in the electronic bidding system through a web enabled interface provided by the Stock Exchanges. The Registrar to the Issue shall finalise the basis of Allotment and submit it to the Designated Stock Exchange for approval. The Registrar to the Issue shall reject multiple ASBAs determined as such, based on common PAN. Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the CB of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Issuer's account within the timelines specified in the ASBA process:

- (i) Number of shares to be allotted against each valid ASBA;
- (ii) Amount to be transferred from the relevant bank account to the Issuer's account, for each valid ASBA;
- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Issuer's account;
- (iv) Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.

SCSBs shall unblock the relevant bank accounts for:

- a. Transfer of requisite money to the issuer's account against each valid ASBA.
- b. Withdrawn/ rejected/ unsuccessful ASBAs.

The Controlling Branch of each SCSB shall confirm the transfer of requisite money against each successful ASBA to the Registrar to the Issue. The Registrar to the Issue shall credit the shares to the demat account of the successful ASBA investors.

In case an ASBA investor wants to withdraw his/ her ASBA during the bidding period, he/ she shall submit his/ her withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA investor wants to withdraw his/ her ASBA after the Bid/Issue closing date, he/ she shall submit his/ her withdrawal request to the Registrar to the Issue, The Registrar shall delete the withdrawn bid from the bid file.

The ASBA investors are advised to fill the Depository Participant Identification Number, Client Identification Number, BID Quantity and PAN clearly in the ASBA Form which shall be uploaded by the SCSB in the electronic bidding system provided by the Stock Exchange(s) which is matched by the Registrar to the Issue with the depository database for the correctness of the Depository Participant Identification Number, Client Identification Number and PAN. In the event of any error in the abovementioned details the ASBA shall be rejected.

Further, In case of withdrawal/ failure of the issue, the amount will be unblocked by the SCSB on receipt of information from the BRLM.

Notes:

1. On the Bid/Issue Closing Date, the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. Bidders are cautioned that a high inflow of Bids, typically experienced on the last day of bidding, may lead to some Bids received on the last day not being uploaded, due to lack of sufficient uploading time and such Bids that could not be uploaded may not be considered for Allocation;
2. The Stock Exchanges will enable SCSBs to upload data on the electronic bidding system in a secure way, and will provide facilities for identification of data uploaded by each SCSB, Designated Branch-wise.
3. The Stock Exchange(s) shall ensure that the electronic bidding system provides all the appropriate fields, along with identification of SCSBs, to enable SCSBs to upload the bid data properly. The electronic bidding system shall also

be enabled to display bid opening/ closing date, price band and revision in price band/ bid period and to reset relevant data fields upon revision, if any.

4. Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for Allocation/ Allotment. In case of discrepancy of data between the Bids registered on the online IPO system of the BSE and the NSE and physical Bid-cum-Application Form, the decision of our Company, in consultation the BRLM and the Designated Stock Exchange, based on the physical/electronic records of Bid-cum-Application Forms (ASBA Forms) shall be final and binding on all concerned.

Checklist for ASBA Investors

Particulars	Physical ASBA	Electronic ASBA
Ensure that the application is through the blocking of amount in a bank account with a SCSB	√	√
Submit completed ASBA Form physically to SCSB with whom amount to be blocked	√	X
Submit completed ASBA Form electronically through internet banking facility provided by SCSB	X	√
Obtain acknowledgement specifying the system generated application number from SCSB as proof of acceptance of ASBA Form (Physical or Electronic)	√	√
Obtain a Transaction Registration Slip / Order Number, confirming upload of ASBA details in the electronic bidding system of the Stock Exchange(s).	√	√
The Transaction Registration Slip/ order number shall be given to the ASBA investor as a proof of uploading the details of ASBA, only on demand.		

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

ASBA Bidder's depository account and Bank Account details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WITH THE DEPOSITORY PARTICIPANT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to

compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA Bid Cum Application Form from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/ Issue Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described under the paragraph titled **“Multiple Bids”** under the chapter titled **“Issue Procedure”** beginning on page 251 of this Red Herring Prospectus.

Permanent Account Number

For details, see “**Permanent Account Number or PAN**” under chapter “*Issue Procedure*” beginning on page 251 of this Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the Depository Participant’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under paragraph titled “*Grounds for Technical Rejections*” beginning on page 292 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Age of first Bidder not given;
3. PAN not stated, or GIR number furnished instead of PAN;
4. Bid made by QIBs;
5. Bids for number of Equity Shares, which are not in multiples of 50;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. Authorisation for blocking funds in the ASBA Bidder’s bank account not ticked or provided;
8. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
9. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
10. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
11. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the this Red Herring Prospectus;
12. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and
13. ASBA Bid cum Application Forms not being signed by the account holder, if the account holder is different from the Bidder.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, please refer to the paragraph titled “**Impersonation**” under chapter titled “**Issue Procedure**” beginning on page 251 of this Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, the Company undertakes that:

- i. Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- ii. Instructions for unblocking of the ASBA Bidder’s Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and

If the instructions to SCSBs to unblock funds in the ASBA accounts are not given within 8 days after our Company becomes liable to repay all moneys received from the applicants in pursuance of this Red Herring Prospectus, i.e. within 7 days from the Bid/Issue Closing Date, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders and Non-Institutional Bidders. For details, please refer to the paragraph titled “**Basis of Allotment or Allocation**” under chapter titled “**Issue Procedure**” beginning on page 251 of this Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under “**Issue Procedure - Undertaking by our Company**”, with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For further details, please refer to the paragraph titled “**Utilisation of Issue Proceeds**” under chapter titled “**Issue Procedure**” beginning on page 251 of this Red Herring Prospectus.

Bidding /Issue Period

BID/ISSUE OPENS ON	Wednesday, April 21, 2010
BID/ISSUE CLOSES ON	Friday, April 23, 2010

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period (i) for non-ASBA Bidders, as mentioned above at the bidding centers mentioned on the Bid-cum-Application Form; and (ii) for ASBA Bidders, at any of the Designated Branches of SCSBs; **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time)** and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders, Non- Institutional Bidders (including ASBA Bidders) and (ii) until 5.00 p.m. or till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit

their Bids at least one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, it may lead to some Bids not being uploaded due to lack of sufficient time to upload them. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday). On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI (ICDR) Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band as appearing in the Red Herring Prospectus. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 50 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.

In case of revision in the Price Band, the Issue Period will be extended for three (3) additional days after revision of the Price Band, subject to the Bid/Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the other members of the Syndicate and to the SCSBs.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before Allotment in this Issue, without assigning any reason thereof. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue shall also be subject to:

- I. The final listing and trading approvals of the stock exchanges, which our Company shall apply for after Allotment;
- II. The final RoC approval for the Prospectus, after it is filed with the RoC.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

In terms of the SEBI -Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Bid cum Application Form number, details of

Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, bank account number in which the amount equivalent to the Bid Amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Member and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as nonreceipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

We have appointed Mr. Niraj Rohitkumar Oza, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Niraj Rohitkumar Oza
Talwalkars Better Value Fitness Limited
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai – 400 026, Maharashtra, India
Tel: +91 – 22 – 6612 6300
Fax: +91 – 22 – 6612 6363
E-mail: ipo@talwalkars.net
Website: www.talwalkars.net

The above information is given for the benefit of the Bidders. Our Company and the Book Runners are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However, we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Regulations, the abstract of the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision hereinbelow is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company

TABLE “A” NOT TO APPLY BUT COMPANY TO BE GOVERNED BY THESE ARTICLES

1. The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act 1956 be such as are contained in these Articles.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Share Capital

3. The authorised share capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with power to increase or reduce the share capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, or such other rights, privileges or conditions as may be determined in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided by the regulations of the Company and consolidate, sub-divide the shares and issue shares of higher or lower denomination. Further, the Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.

Increase of capital by the Company how carried into effect

4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act

New Capital same as existing capital

5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Non Voting Shares

6. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

Redeemable Preference Shares

7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Voting rights of preference shares

8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

Provisions to apply on issue of Redeemable Preference Shares

9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:

- (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of afresh issue of shares made for the purpose of the redemption.
- (b) No such Shares shall be redeemed unless they are fully paid.
- (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.
- (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- (e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

Reduction of capital

10. The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

Purchase of own Shares

11. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

Sub-division consolidation and cancellation of Shares

12. Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is subdivided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

Modification of rights

13. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall *mutatis mutandis* apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

SHARES, CERTIFICATES AND DEMATERIALISATION

Restriction on allotment and return of allotment

14. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.

Further issue of shares

15. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation,

whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:

- (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;
 - (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
 - (2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.
 - (a) If a Special Resolution to that effect is passed by the Company in General Meeting; or
 - (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
 - (3) Nothing in sub-clause (c) of (1) hereof shall be deemed;
 - (a) To extend the time within which the offer should be accepted; or
 - (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.
 - (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:
 - (i) To convert such debentures or loans into Shares in the Company; or
 - (ii) To subscribe for Shares in the Company
- PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:
- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and
 - (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.

Shares at the disposal of the Directors

16. Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power to offer Shares/options to acquire Shares

16A

- (i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for

consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.

Application of premium received on Shares

17. (1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.

(2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:

- (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- (b) In writing off the preliminary expenses of the Company;
- (c) In writing off the expenses of or the commission paid or discount allowed on any issue of Shares or debentures of the Company ; or
- (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Power also to Company in General Meeting to issue Shares

18. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

Power of General Meeting to authorize Board to offer Shares/Options to employees

18A Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose (i) In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.

Shares at a discount

19. The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:

- (a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;

(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and

(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.

Installments of Shares to be duly paid

20. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.

The Board may issue Shares as fully paid-up

21. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.

Acceptance of Shares

22. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.

Deposit and call etc., to be debt payable

23. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

24. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

Dematerialisation of securities

- 25.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

Options to receive security certificates or hold securities with depository

- 25.(C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.

Securities in depositories to be in fungible form

- 25.(D) All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

Rights of depositories and beneficial owners

- 25.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;
- (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;
- (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

Depository To Furnish Information

- 25.(F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Service of documents

- 25.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.

Option to opt out in respect of any security

- 25.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

Sections 83 and 108 of the Act not to apply

- 25.(I) Notwithstanding anything to the contrary contained in the Articles,
- (1) Section 83 of the Act shall not apply to the Shares held with a Depository;
- (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

Share certificate

26. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.
- (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.

Limitation of time for issue of certificates

- 26A. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

Renewal of share certificates

27. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.
- PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.

Issue of new certificate in place of one defaced, lost or destroyed

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
- The provision of this Article shall *mutatis mutandis* apply to Debentures of the Company.

The first name joint holder deemed sole holder

29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.

Issue of Shares without Voting Rights

30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

Buy-Back of Shares and Securities

31. Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.

Employees Stock Options Scheme / Plan

32. The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

Sweat Equity

33. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

Postal Ballot

34. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.

Company not bound to recognize any interest in Shares other than of registered holder

35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a

Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Trust recognised

36. (a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
- (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

Declaration by person not holding beneficial interest in any Shares

37. (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act
- 2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act
- (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act
- (4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

Funds of Company not to be applied in purchase of Shares of the Company

38. No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

UNDERWRITING AND BROKERAGE

Commission may be paid

39. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.

Brokerage

40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.

Commission to be included in the annual return

41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

Interest out of capital

42. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

DEBENTURES

Debentures with voting rights not to be issued

43. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.
 (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
 (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
 (d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.
 (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.
 (f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.
 (g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.
 (h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

Directors may make calls

44. (a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.
 (b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

Notice of call when to be given

45. Not less than **fourteen days** notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Call deemed to have been made

46. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

Directors may extend time

47. The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly

entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.

Amount payable at fixed time or by installments to be treated as calls

48. If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

When interest on call or installment payable

49. If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Evidence in action by Company against share holder

50. On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry interest

51. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

Partial payment not to preclude forfeiture

52. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Company's lien on Shares/ Debentures

53. The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.

As to enforcing lien by sale

54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:-
- (a) Unless a sum in respect of which the lien exists is presently payable; or
 - (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.
- For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members
- (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale

55. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and
- (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

If money payable on Shares not paid notice to be given

56. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Sum payable on allotment to be deemed a call

57. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

Form of notice

58. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.

In default of payment Shares to be forfeited

59. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of forfeiture to a Member

60. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited Shares to be the property of the Company and may be sold etc.

61. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

Member still liable for money owing at the time of forfeiture and interest

62. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

Effects of forfeiture

63. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.

Power to annul forfeiture

64. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Declaration of forfeiture

- 65.
- (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
 - (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
 - (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
 - (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
 - (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.

66. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Cancellation of shares certificates in respect of forfeited Shares

67. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

Evidence of forfeiture

68. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

Validity of sale

69. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Surrender of Shares

70. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

No transfers to minors etc.

71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

Instrument of transfer

72. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Application for transfer

- 73.
- (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.
 - (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice
 - (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Execution of transfer

74. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.

Transfer by legal representatives

75. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

Register of Members etc when closed

76. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

Directors may refuse to register transfer

77. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

Death of one or more joint holders of Shares

78. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a

deceased joint holder from any liability on Shares held by him with any other person.

Titles of Shares of deceased Member

79. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.

Notice of application when to be given

80. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)

81. Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".

Refusal to register nominee

82. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Person entitled may receive dividend without being registered as a Member

83. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

No fee on transfer or transmissions

84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.

Transfer to be presented with evidence of title

85. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Company not liable for disregard of a notice prohibiting registration of transfer

86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or

referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Power to issue share warrants

87. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

Deposit of share warrants

- 88.
- (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant
 - (b) Not more than one person shall be recognized as depositor of the Share warrant
 - (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor

Privileges and disabilities of the holders of share warrant

89. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

Issue of new share warrant coupons

90. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Share may be converted into stock

91. The Company may, by Ordinary Resolution:
- (a) Convert any fully paid up Share into stock, and
 - (b) reconvert any stock into fully paid-up Shares.

Transfer of stock

92. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.
- PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.

Right of stock holders

93. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.

Regulation applicable to stock and share warrant

94. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Power to borrow

95. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

The payment or repayment of moneys borrowed

96. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debenture stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Bonds, Debentures, etc. to be subject to control of Directors

97. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Terms of issue of Debentures

98. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Mortgage of uncalled capital

99. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

MEETING OF MEMBERS

Statutory meeting

100. The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.

Annual General Meeting

101. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the

Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Report statement and registers to be laid before the Annual General Meeting

102. The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.

Extra-Ordinary General Meeting

103. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.

Requisitionists' meeting

104. (1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-
- (a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.
 - (b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.
- (2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or
- (b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.
- (3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.
- (4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:
- (a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.
 - (i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.
 - (ii) the case of any other requisition, not less than two weeks before the Meeting, and
 - (b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.
- PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.
- (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

Extra-Ordinary General Meeting by Board and by requisition

When a Director or any two Members may call an Extra Ordinary General Meeting

105. (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.
- (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

Contents of requisition, and number of requisitionists required and the conduct of Meeting

106. (1) In case of requisition the following provisions shall have effect:
- (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (b) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.
- (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.
- (e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:
- (i) By the requisitionists themselves ; or
- (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- (2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:
- (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but
- (b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.
- (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of notice of Meeting

107. (1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.
- (2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:
- (i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and
- (ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.
- PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.

Contents and manner of service of notice

108. (1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.
 (2) Subject to the provisions of the Act notice of every General Meeting shall be given;
 (a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;
 (b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
 (c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company
 PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.
 (3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.

Special and ordinary business and explanatory statement

109. (1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to
 (i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;
 (ii) the declaration of dividend;
 (iii) the appointment of Directors in the place, of those retiring; and
 (iv) the appointment of, and the fixing of the remuneration of the Auditors, and
 (b) In the case of any other meeting, all business shall be deemed special
 (2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.
 PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.
 (3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Omission to give notice not to invalidate proceedings

110. The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

MEETING OF MEMBERS

Notice of business to be given

111. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.

Quorum

112. Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.

If quorum not present when Meeting to be dissolved and when to be adjourned

113. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

Resolution passed at adjourned Meeting

114. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of General Meeting

115. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.

- 115(A) Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.

Business confined to election of Chairman whilst the Chair is vacant

116. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

Chairman may adjourn Meeting

117. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.
 (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
 (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting.
 (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.

How questions are decided at Meetings

118. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.

Chairman's declaration of result of voting on show of hands

119. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.

Demand of poll

120. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

Time of taking poll

121. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

Chairman's casting vote

122. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

Appointment of scrutineers

123. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

Demand for poll not to prevent transaction of other business

124. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.

Special notice

125. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Member paying money in advance not to be entitled to vote in respect thereof

126. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

Restriction on exercise of voting rights of Members who have not paid calls

127. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Number of votes to which Member entitled

128. Subject to the provisions of Article 126, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Votes of Members of unsound mind

129. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

Votes of joint Members

130. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Representation of body corporate

- 131.
- (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.
- (b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.

Votes in respects of deceased or insolvent Members

132. Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

Voting in person or by proxy

133. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.

Rights of Members to use votes differently

134. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses

Proxies

135. Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.

Proxy either for specified meeting or for a period

136. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

No proxy to vote on a show of hands

137. No proxy shall be entitled to vote by a show of hands.

Instrument of proxy when to be deposited

138. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.

Form of Proxy

139. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.

Validity of votes given by proxy notwithstanding revocation of authority

140. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.

Time for objection to vote

141. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.

Chairman of any Meeting to be the judge of Validity of any value

142. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

Custody of Instrument

143. If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Number of Directors

144. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.

Present Directors

145. (A) The Present Directors of the Company shall be:-

1. MR. MADHUKAR VISHNU TALWALKAR
2. MR. VINAYAK RATNAKAR GAWANDE
3. MR. GIRISH MADHUKAR TALWALKAR

4. MR. PRASHANT SUDHAKAR TALWALKAR
5. MR. HARSHA RAMDAS BHATKAL
6. MR. ANANT RATNAKAR GAWANDE

Appointment of Directors

145. (B) The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.

Debenture Directors

146. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.

Nominee Director or Corporation Director

147.
 - a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.
 - b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.
 - c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation being paid off
 - d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
 - e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..

Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.

Special Director

148. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

Limit on number of retaining Directors

149. The provisions of Articles 146, 147, 148 and 149 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

Alternate Director

150. The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

Directors may fill in vacancies

151. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.

Additional Directors

152. The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.

Qualification shares

153. A Director need not hold any qualification shares.

Directors' sitting fees

154. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors,

subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

Extra remuneration to Directors for special work

155. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.

Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:

- i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- ii) by way of commission if the Company by a Special Resolution authorised such payment.

Traveling expenses incurred by Directors on Company's business

156. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.

Director may act notwithstanding vacancy

157. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.

Board resolution necessary for certain contracts

158. (1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company.
- (a) For the sale, purchase or supply of goods, materials or services; or
 - (b) for underwriting the subscription of any Share in or debentures of the Company;
 - (c) nothing contained in clause (a) of sub-clause (1) shall affect:-
 - (i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
 - (ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;
 - (2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.
 - (3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into.
 - (4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.
 - (5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholetime Director

159.

When the Company:-

- (a) enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.

Directors of interest

160. (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act.

General notice of disclosure

- (b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.

Directors and Managing Director may contract with Company

161. Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

Disqualification of the Director

162. A person shall not be capable of being appointed Director of the Company if:-
- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
 - (b) he is an undischarged insolvent;
 - (c) he has applied to be adjudged an insolvent and his application is pending;
 - (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
 - (e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
 - (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

Vacation of office by Directors

163. The office of Director shall become vacant if:-
- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (b) he applies to be adjudged an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or

- (e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or
- (f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
- (g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- (h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or
- (i) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- (j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or
- (k) if by notice in writing to the Company, he resigns his office, or
- (l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

Vacation of office by Directors (contd.)

164. Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 162 hereof, the disqualification referred to in these clauses shall not take effect:
- (a) for thirty days from the date of the adjudication, sentence or order;
 - (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
 - (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Removal of Directors

165. (a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.
- (b) Special Notice as provided by these Articles or Section 190 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.
- (d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:
- (i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and
 - (ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 163 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

- (f) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly
- (g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- (h) Nothing contained in this Article shall be taken:-
- (i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or
- (ii) as derogating from any power to remove a Director which may exist apart from this Article.

Interested Directors not to participate or vote in Board's proceedings

166. No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-
- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;
- (i) in his being:
- (a) a director of such company; and
- (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or
- (ii) in his being a member holding not more than two percent of its paid-up share capital.

Director may be director of companies promoted by the Company

167. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

Appointment of Sole Selling Agents

168. a) The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.
- b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

ROTATION AND APPOINTMENT OF DIRECTORS

Rotation of Directors

169. Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

Retirement of Directors

170. Subject to the provisions of Articles 148 and 150, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.

Retiring Directors

171. Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.

Appointment of Technical or Executive Directors

172. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.
- b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

Ascertainment of Directors retiring by rotation and filling of vacancies

173. Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 174 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.

Eligibility for re-election

174. A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.

Company to fill vacancies

175. Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.

Provision in default of appointment

176. (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:
- (i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.
 - (ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.
 - (iii) he is not qualified or is disqualified for appointment
 - (iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or
 - (v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.

Company may increase or reduce the number of Directors or remove any Director

177. Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.

Appointment of Directors to be voted individually

178. (a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.
- (b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.
- (c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

Notice of candidature for office of Directors except in certain cases

179. (1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which

shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.

(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.

(3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

(4) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act, appointed as a Director re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.

Disclosure by Directors of their holdings of their Shares and debentures of the Company

180. Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.

Votes of Body Corporate

181. A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

Powers to appoint Managing Director

182. Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Wholetime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.

(b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.

Remuneration of Managing Director

183. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

Special position of Managing Director

184. Subject to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire

but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, *ipso facto* and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

Powers of Managing Director

185. The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.
 186. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.
 187. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.
 188. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
 189. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
- Appointment and powers of Manager
- 189A The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

WHOLE TIME DIRECTOR

Power to appoint Whole Time Director and/or Whole-time Directors

190. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine or permanently for life time upon such terms and conditions as the Board thinks fit. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period of periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated under Article 192 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.

To what provisions Whole time Directors shall subject

191. Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Director shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/ they shall be subject to the same provision as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise under the sees to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act any

Annual General Meeting and shall be re-appointed as a Director of Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.

Seniority of Whole Time Director and Managing Director

192. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

193. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

Quorum

194. (a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time.
(b) for the purpose of clause(a)
(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and
(ii) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.

Procedure when Meeting adjourned for want of quorum

195. If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

Chairman of Meeting

196. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.

Question at Board meeting how decided

197. Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

Powers of Board meeting

198. A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.

Directors may appoint Committee

199. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any

regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.

Meeting of the Committee how to be governed

200. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.

Circular resolution

201. (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.
(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

Acts of Board or Committee valid notwithstanding defect in appointment

202. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

POWERS OF THE BOARD

General powers of management vested in the Board of Directors

203. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
Provided that the Board shall not, except with the consent of the Company in General Meeting :-
(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;
(b) remit, or give time for the repayment of, any debt due by a Director,
(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;
(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;

- (i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)
- (ii) Provided further that the expression “temporary loans” in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Certain powers to be exercised by the Board only at Meetings

204. (1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;
- (a) the power to make calls, on shareholders in respect of money unpaid on their Shares,
 - (b) the power to issue Debentures,
 - (c) the power to borrow moneys otherwise than on Debentures,
 - (d) the power to invest the funds of the Company, and
 - (e) the power to make loans
- Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:
- (2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.
 - (3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.
 - (4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Certain powers of the Board

205. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:
1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
 2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
 3. Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
 4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
 5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
 6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
 7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
 8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the

- Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
 10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
 11. Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
 12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
 13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
 14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.
 15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.
 16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
 17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the

affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.

18. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.
19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.
20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.
21. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.
22. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.
24. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.
25. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
27. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.
28. To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
29. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.
30. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to

acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.

31. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
32. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.
33. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.
34. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

MANAGEMENT

Prohibition of simultaneous appointment of different categories of managerial personnel

206. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :-
 - a) Managing Director and
 - b) Manager

MINUTES

Minutes to be made

207. (1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:
 - (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.

Minutes to be evidence of the proceeds

208. (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Books of minutes of General Meeting to be kept

- (b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.

Presumptions

209. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

Secretary

210. The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Appointment and Qualifications of Secretary) Rules, 1988.

The Seal, its custody and use

211.

(a) Seal

The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

(b) Common Seal for use outside India

The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956

(c) Safe Custody of Seal

The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company.

(d) Affixing of Seal on deeds and instruments’

On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons Authorised in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed.

(e) Affixing of Seal on Share Certificates

Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are Authorised from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being.

(f) Removal of Common Seal outside the office premises

The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office inside or outside for affixture and for return to safe custody to the Registered Office.

DIVIDENDS AND CAPITALISATION OF RESERVES

Division of profits

212. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.
- (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

The Company at General Meeting may declare dividend

213. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

Dividends out of profits only

214. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.

Interim dividend

215. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

216. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
(b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.

Capital paid-up in advance to carry interest, not the right to earn dividend

217. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

Dividends in proportion to amounts paid-up

218. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.

No Member to receive dividend while indebted to the Company and the Company's right in respect thereof

219. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

Effect of transfer of Shares

220. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

Dividend to joint holders

221. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Dividend how remitted

222. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

Notice of dividend

223. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.

Reserves

224. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be

employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

Dividend to be paid within time required by law.

225. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-
- (a) where the dividend could not be paid by reason of the operation on any law; or
 - (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or
 - (c) where there is dispute regarding the right to receive the dividend; or
 - (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
 - (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

Unpaid or unclaimed dividend

226. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Talwalkars Better Value Fitness Limited _____ (year) Unpaid Dividend Account".

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board.

Set-off of calls against dividends

227. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

Dividends in cash

228. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

Capitalisation

229. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve:
- (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;
- (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or
 - (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or
 - (c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause (b)
- (3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

Board to give effect

230. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

Fractional certificates

231. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and
 - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
- (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
 - (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
 - (3) Any agreement made under such authority shall be effective and binding on all such Members.
 - (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

ACCOUNTS

Books to be kept

232. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place
 - (b) all sales and purchases of goods by the Company
 - (c) the assets and liabilities of the Company and
 - (d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government
- Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

Inspection by Members

233. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.

Statements of accounts to be furnished to General Meeting

234. The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219

235. (1) The Company shall comply with the requirements of Section 219 of the Act.
- (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.

A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

Accounts to be audited

236. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.

Appointment of Auditors

237. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.
- (2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.
- (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:
- he is not qualified for re-appointment;
 - he has given to the Company notice in writing of his unwillingness to be re-appointed;
 - a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or
 - where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.
- (4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.
- (6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of any Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

238. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICES

To whom documents must be served or given

239. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 109, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.

Members bound by documents or notices served on or given to previous holders

240. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from

whom he derived, his title to such Share.

Service of documents on the Company

241. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

Authentication of documents and proceedings

242. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.

REGISTERS AND DOCUMENTS

Registers and documents to be maintained by the Company

243. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:
- (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act
 - (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.
 - (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act.
 - (d) Foreign register, if so thought fit, as required by Section 157 of the Act
 - (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.
 - (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.
 - (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.
 - (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act.
 - (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.
 - (j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.

Inspection of Registers

244. The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

WINDING UP

Distribution of assets

245. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

Distribution in specie or kind

- 246.

- (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.
- (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

Right of shareholders in case of sale

247. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

Directors and others right to indemnity

248. Subject to the provisions of Section 201 of the Act, every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Director, officer not responsible for acts of others

249. Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

Secrecy Clause

250. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No Member to enter the premises of the Company without permission

251. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of filing of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus have been delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 801-813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai – 400 026, Maharashtra, India. from 10.00 a.m. to 4.00 p.m. on working days from the date of filing of this Red Herring Prospectus until the Bid / Issue Closing Date of this Issue.

Material Contracts for Inspection

1. Engagement letter dated November 9, 2009 for appointing India Infoline Limited as the BRLM.
2. Memorandum of Understanding dated December 07, 2009 between our Company and BRLM to this Issue.
3. Memorandum of Understanding dated November 09, 2009 between our Company and Link Intime India Private Limited as Registrar.
4. Escrow agreement dated April 08, 2010 between us, the BRLM, Escrow Collection Banks, and the Registrar to the Issue
5. Syndicate agreement dated April 08, 2010 between us, the BRLM and the Syndicate Member.
6. Underwriting agreement dated [●] between us, the BRLM and the Syndicate Members.

Material Documents for Inspection

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation of our Company dated 24th April, 2003 and Fresh Certificate of Incorporation of our Company dated November 07, 2009.
3. EGM resolution dated November 09, 2009 and the resolution of the Board dated November 09, 2009 authorising the Issue.
4. Board resolutions August 08, 2009 and AGM resolution dated September 10, 2009, fixing the present term of appointment and remuneration of our Directors.
5. Reports of the Auditors, Saraf Gurkar & Associates, Chartered Accountants, dated March 26, 2010 regarding restated financials of the Company for the last five years and nine months period ending December 31, 2009.
6. Statement of Financial Indebtedness as on March 15, 2010 *vide* certificate dated March 26, 2010.
7. Copies of the annual reports of our Company for the years ended March 31 2005, 2006, 2007, 2008 and 2009
8. Copy of the Statement of Tax Benefits report dated March 26, 2010 issued by Saraf Gurkar & Associates, Chartered Accountants.
9. Consents of Auditors, Bankers to the Company, Bankers to the Issue, BRLM, Syndicate Member, Legal Advisors to this Issue, Directors, Company Secretary and Compliance Officer, Registrar to this Issue, as referred to, in their respective capacities.
10. In-principle listing approvals dated February 05, 2010 and January 28, 2010 from BSE and NSE.
11. Tripartite agreement between the NSDL, our Company and the Registrar dated September 03, 2009.

12. Tripartite agreement between the CDSL, our Company and the Registrar dated September 16, 2009.
13. Due Diligence Certificate dated December 15, 2009 to SEBI from BRLM.
14. Consent of CARE, the IPO Grading Agency for inclusion of their report dated December 10, 2009 in the form and context in which they appear in the Red Herring Prospectus and the Prospectus.
15. Shareholder's Agreement dated July 1, 2003 (the "Agreement"), between Mr. Madhukar Vishnu Talwalkar, Ms. Usha Madhukar Talwalkar, Madhukar Vishnu Talwalkar (HUF), Mr. Girish Madhukar Talwalkar, Ms. Nanda Girish Talwalkar, Girish Madhukar Talwalkar (HUF), Mr. Prashant Sudhakar Talwalkar, Ms. Nalina Prashant Talwalkar, Prashant Sudhakar Talwalkar (HUF) (the "Talwalkars") and Mr. Vinayak Ratnakar Gawande, Ms. Madhuri Vinayak Gawande, Vinayak Ratnakar Gawande (HUF), Mr. Anant Ratnakar Gawande, Ms. Yamini Anant Gawande, Anant Ratnakar Gawande (HUF), Mr. Harsha Ramdas Bhatkal, Ms. Smeeta Harsha Bhatkal, Better Value Leasing and Finance Limited, Gawande Consultants Private Limited (the "Gawandes")
16. Share and CPS (Convertible Preference Shares) Subscription Agreement dated January 09, 2006 (the "Agreement") executed between our Company and Mr. Shivanand Shankar Mankekar, Mr. Kedar Shivanand Mankekar and Ms. Laxmi Shivanand Mankekar (the "Investors") and our Promoters.
17. Letter dated July 01, 2009, jointly issued by Mr. Shivanand Shankar Mankekar, Mr. Kedar Shivanand Mankekar and Ms. Laxmi Shivanand Mankekar.
18. Letter dated November 09, 2009, jointly issued by Mr. Shivanand Shankar Mankekar, Mr. Kedar Shivanand Mankekar and Ms. Laxmi Shivanand Mankekar.
19. IPO Grading Reports dated February 12, 2010 and reaffirmation letter dated April 05, 2010 from CARE
20. SEBI observation letter no. CFD/DILISP/RN/149/2010 dated April 05, 2010

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.


DECLARATION

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

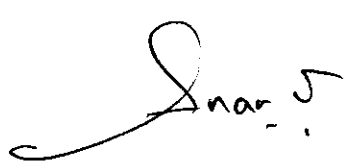
SIGNED BY ALL THE DIRECTORS OF TALWALKARS BETTER VALUE FITNESS LIMITED

Name of Director	Designation	Signature
Mr. Madhukar Vishnu Talwalkar	Executive Chairman	
Mr. Prashant Sudhakar Talwalkar	Managing Director, Chief Executive Officer	
Mr. Vinayak Ratnakar Gawande	Whole-time Director	
Mr. Girish Madhukar Talwalkar	Whole-time Director	
Mr. Harsha Ramdas Bhatkal	Whole-time Director	
Mr. Anant Ratnakar Gawande	Whole-time Director, Chief Financial Officer	
Mr. Manohar Gopal Bhide	Independent Director	
Mr. Raman Hirji Maroo	Independent Director	
Mr. Mohan Motiram Jayakar	Independent Director	
Dr. Avinash Achyut Phadke	Independent Director	
Mr. Abhijeet Rajaram Patil	Independent Director	
Mr. Glenn Mario Saldanha	Independent Director	

SIGNED BY CHIEF EXECUTIVE OFFICER


Mr. Prashant Sudhakar Talwalkar

SIGNED BY CHIEF FINANCIAL OFFICER


Mr. Anant Ratnakar Gawande

Place: Mumbai

Date: APRIL 15, 2010

Shri. Girish Nayak
Vice President
Talwalkars Better Value Fitness Ltd.
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai - 400026

February 12, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to your request for grading of the Initial Public Offering (IPO) of **Talwalkars Better Value Fitness Ltd.** for 60.50 lakh equity shares of face value of Rs.10 each.

2. CARE has assigned a '**CARE IPO Grade 3**' [**Grade Three**] to the proposed IPO issue of Talwalkars Better Value Fitness Ltd. (TBVF). **CARE IPO Grade 3** indicates **average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
3. Please note that wherever '**CARE IPO Grade 3**' [**Grade Three**] appears, it should invariably be followed by the definition '**CARE IPO Grade 3** [**Grade Three**] indicates average fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**. The rationale for this grading will be communicated to you separately.
5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.





7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of grading within a week of this letter, CARE will disclose this IPO grading to the public.
8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,

A handwritten signature in black ink, appearing to read "Pooja Shastri", written over a horizontal line.

**[Pooja Shastri]
Deputy Manager**

A handwritten signature in black ink, appearing to read "Padmaja Parange", written over a horizontal line.

**[Padmaja Parange]
Senior Manager**

Encl: As above

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals



**Annexure - I
Grading Rationale**

Talwalkars Better Value Fitness Limited

IPO Grading

CARE IPO Grade 3

CARE has assigned a 'CARE IPO Grade 3' to the proposed Initial Public Offer (IPO) of Talwalkars Better Value Fitness Limited (TBVF). CARE IPO Grade 3 indicates average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of that issuer. TBVF proposes an IPO of 60.50 lakh equity shares of face value of Rs.10/- each, at a price which will be determined through the book-building process.

The grading factors in promoters' experience and long track record in the fitness industry, experienced Board of Directors, established brand, favourable industry prospects and pan-India presence.

However, the grading is constrained by low entry barriers and increasing competition in the fitness industry, high level of leverage, high exposure by way of corporate guarantee towards Joint Ventures and dependence on IPO proceeds for the proposed expansion.

Background of the company

Following the footsteps of his father, Late Mr. V R Talwalkar, who set up a small gym in Mumbai in 1932, Mr. Madhukar Talwalkar set up his first gym in Bandra in Mumbai in 1962. Over the past 45 years, he has been the pillar of this business and has firmly established the brand name *Talwalkars* in the fitness arena. In 2003, Mr. Madhukar Talwalkar along with Gawande's mooted the idea of expanding the brand to pan-India level as a leader in health clubs and incorporated 'Talwalkars Better Value Fitness Pvt. Ltd.'. This was converted into a Public Limited Company in October 2009 and renamed as 'Talwalkars Better Value Fitness Ltd.' (TBVF).

March 26, 2010



TBVF operated 51 gyms as on December 14, 2009, of which 37 were owned by TBVF, nine set up through Joint Ventures and Associates and five under franchisee agreements. These gyms are located in 11 states and 24 cities all across the country.

As on December 14, 2009, TBVF had one subsidiary company – Aspire Fitness Pvt. Ltd., two joint venture companies - Talwalkars Pantaloon Fitness Pvt. Ltd. (TPF) and Denovo Enterprises Pvt. Ltd. (DEPL) and one associate company - Equinox Wellness Pvt. Ltd. (EWPL).


Management

As on December 14, 2009, the Board of Directors of TBVF comprised 12 members of which six were Independent Directors. Mr. Madhukar Talwalkar serves as the Executive Chairman and Mr. Prashant Talwalkar as the Managing Director. The other Executive Directors are Mr. Vinayak Gawande (Legal), Mr. Girish Talwalkar (HR), Mr. Harsha Bhatkal (Marketing) and Mr. Anant Gawande (CFO). The Board is assisted by a team of senior executives.

Corporate Governance

Separation of ownership and management

As per the Corporate Governance requirements of Clause 49 of the Listing Agreement, it is mandatory to have half of the number of Board members as independent directors, if the Chairman of the Board is also the Executive Director of the company. The said clause is applicable in the case of TBVF, since Mr. Madhukar Talwalkar holds both the positions. Accordingly, as on December 14, 2009, the company had 12 members on its Board which included six Independent Non-Executive Directors. The Non-Executive Independent Directors are Mr. Manohar Gopal Bhide, Mr. Raman Hirji Maroo, Mr. Mohan Motiram Jaykar, Dr. Avinash Achyut Phadke, Mr. Abhijeet Rajaram Patil and Mr. Glenn Mario Saldanha. The Independent and Non-Executive Directors have significant experience in varied fields.

 March 26, 2010

Board Committees

Further, in order to comply with the Corporate Governance requirement, TBVF has constituted an Audit Committee, Shareholders/Investor Grievance, Share Allotment and Share Transfer Committee, IPO Committee and Remuneration Committee in November 2009 and had meetings during December 2009-February 2010.

Pending legal cases & their status

I. Litigations filed by TBVF

Tax proceedings - TBVF has filed with the Commissioner of Income Tax (Appeals) challenging the assessment order passed against it for the Assessment Year 2006-07 to the extent of Rs.0.19 crore. The company has paid the demand as asked in an order by the department amounting Rs.0.09 crore. The appeal is pending before CIT (A).

II. Litigations against TBVF

A) Consumer Cases - TBVF has a consumer case pending before Consumer Dispute Redressal Forum. In 2009, Ms. Kanika Pandey had paid an amount of Rs.15,000/- on behalf of her father as advance for Gym, which he could not join due to health reasons on advice of doctor. The complainant has alleged that TBVF has not returned her paid sum and hence has demanded for refund along with compensation of Rs.1,00,000/- and litigation charges Rs.2,000/-.

B) Money recovery and Civil Proceedings The case is related to use of leasehold office premises where Mr. Anand Reddy and others (Landlord) issued a notice to TBVF to vacate the premises failing which a total sum of Rs.0.09 crore will be payable to the Landlord. The case is pending for hearing before City Civil Court Hyderabad.

III. Cases filed against group/associate companies

Octroi proceedings - In July 2008 the Assistant Commissioner of Octroi has billed TPF for penal octroi duty amounting to Rs.0.36 crore and issued a notice of demand for the same. The demand is raised for allegedly trying to evade the octroi duty and finding five treadmills in excess of declared goods. The demand was confirmed by Additional Deputy Municipal Commissioner. In September 2008, TPF has appealed against the same which is pending before court for hearing.

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IV. Miscellaneous Proceedings

There is one civil suit filed against TBVF and two money recovery and civil suits filed by the company the amount involved in which is not quantifiable. There is one criminal proceeding against one of the Promoter Directors and one Independent Director for being in the capacity of Owner or Director of other entity. There are 13 criminal proceedings outstanding against the group companies.

Operations

TBVF is engaged in the business of operating gyms. The *Talwalkars* provides a wide range of services to the clients, which includes Fitness Training, Nutrition Center and Value Add-Ons. Nevertheless, the basic facilities of Gym continue to be the major contributor to revenues with 53% of total sales in FY09. The Metro cities dominate with 37.06% share of total sales followed by Tier II and Tier I cities with 33.55% and 29.37% share respectively.

TBVF has gyms on both leasehold and owned properties. Out of the total 37 owned gyms, only two are operated from the owned properties, while the balance 35 are operated from the leasehold premises. The company is planning to set up 20 gyms in FY10, of which two are already operational, seven are scheduled to begin operations in March 2010 and the balance 11 are likely to begin operations by June 2010. Locations of 11 gyms have been finalised and are in various stages of implementation and scheduled to open by June 2010. In addition, the company is adding six more gyms through its JVs / franchisees and expects them to open by June 2010. Apart from 20 gyms planned in FY10, the company plans to set up additional 27 gyms from IPO proceeds.

To adhere to the quality standard, most of the fitness equipment, which form majority portion of the total cost to set up the gym, is imported from USA, Europe and China. TBVF has a residential training academy at Thane where gym staff is trained for 4-6 weeks in soft skills and service delivery. Under marketing schemes, the company has seven regular promotional schemes launched throughout the year on periodic basis. TBVF has also been the official trainer in Standard Chartered Mumbai Marathon for the past three years and Official Fitness Partner in Femina Miss India 2009.

March 26, 2010

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IPO Details

Size of the Issue

TBVF is proposing to make an Initial Public Offer (IPO) of 60,50,000 equity shares of face value of Rs.10/- each for cash at a premium to be determined through a book-building process.

Terms of the issue

At least 50% of the net issue to public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (QIBs). In addition, 5% of the QIB Portion shall be available for allocation on a proportionate basis to mutual funds only and the balance shall be available for allotment on a proportionate basis to QIBs and mutual funds. Further, not less than 15% of the net issue to public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the net issue to public shall be available for allocation on a proportionate basis to Retail Individual Bidders.

Purpose of the issue

TBVF plans to fund opening of 27 new gyms (all over the country) from the issue proceeds to the tune of Rs.50.22 crore, repayment of existing interest-bearing unsecured loans from the promoter group and others (Rs.20.59 crore) for balance for general corporate purposes and issue expenses. The major cost in setting up of a new health center is cost of gym equipment and interior designing costs.

Industry Outlook

The Fitness Industry in India is a nascent industry in India and is a fast growing industry. The increased awareness along with changing lifestyles has created a vast scope for its growth. The industry comprises rejuvenation centers (like Spa and Yoga), beauty services (Salons and treatment clinics), personal health counselling and fitness segment (Gyms). The industry is dominated by local units in the unorganized sector. The fitness industry, in specific, is highly untapped market with not even 1% population in the top seven cities having fitness club membership as against USA where 16% have the same. The International health fitness market is mainly dominated by the organized players with high market share of few entities.

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The following are the characteristics of the fitness industry in India:

- Changing demographic profile of the country, with more youth who are fitness-aware, resulting in increasing affinity towards health clubs.
- Rise in number of people suffering from diabetes and other lifestyle disorders and higher disposable income, resulting in more people opting for health centers.
- Additional services such as spa, yoga, and aerobics attract more customers.
- Shortage of professional and skilled trainers in the industry and absence of accredited training institutes for the same.
- The industry is unregulated and has low entry barriers due to little capital investment to set up new gyms. As a result, there exists severe competition from the unorganised/local players.

Financials

As per the Auditors' report for FY09, TBVF has not complied with the Accounting Standard-22- Accounting for Taxes on Income, regarding non-provision of Deferred Tax Liability due to which the profit for the period and the reserves were overstated by Rs.2.39 crore.

(Rs. Crore)

For period ended/As on March 31,	2007	2008	2009
Working results			
Net Sales	18.76	33.15	51.78
Total Operating Income	19.87	34.13	53.36
PBILDT	6.05	13.32	17.45
Depreciation	1.46	2.26	4.58
Interest	2.71	4.17	8.00
PAT (As per Annual Report)	0.92	5.98	6.73
<i>PAT (After deducting Deferred Tax)</i>	<i>0.92</i>	<i>3.54</i>	<i>4.33</i>
Net Cash Accruals	2.99	8.23	11.29
Financial position			
Gross Fixed Assets	34.71	69.73	105.23
Net Fixed Assets	31.42	64.39	95.13
Net Working Capital	(1.20)	(4.09)	(11.15)
Equity Share Capital	1.90	1.97	1.97
Tangible Net worth	5.19	9.14	14.90
Total Debt	38.45	65.72	81.26
Total Capital Employed	43.64	74.86	96.16

March 26, 2010

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For period ended/As on March 31,	2007	2008	2009
Ratios:			
Growth (%)			
Growth in Total Income	114.52	71.76	56.34
Growth in PBILDT	86.97	120.36	30.95
Growth in PAT	(6.25)	551.29	12.47
Profitability (%)			
PBILDT /Total Operating Income	30.43	39.03	32.69
PAT / Total Income	4.62	17.53	11.95
<i>PAT/Total Income (After deducting def tax)</i>	<i>4.62</i>	<i>10.38</i>	<i>7.69</i>
ROCE (Total Capital Employed)	13.27	18.68	18.49
RONW	20.60	83.53	56.00
EPS	4.84	30.43	34.22
Solvency (Times)			
Long Term Debt Equity ratio	7.41	7.19	5.40
Overall Gearing ratio	7.41	7.19	5.45
Interest Coverage	1.69	2.65	1.61
Term Debt / Gross Cash Accruals	12.25	7.97	7.12
Liquidity (times)			
Current Ratio	0.22	0.12	0.17
Quick Ratio	0.22	0.12	0.17
Turnover (times)			
Capital Turnover Ratio	0.70	0.68	0.68
Fixed Asset Turnover Ratio	0.76	0.71	0.67

Driven by addition of new gyms, increasing health awareness among consumers and attractive promotional schemes resulting in higher membership, TBVF reported increase in net sales at a Compounded Annual Growth Rate (CAGR) of 66.12% in the past three years to Rs.51.78 crore in FY09. The number of gyms gradually increased from five in FY04 to 35 in FY09.

Increase in net sales of TBVF has led to increasing PBILDT through the years, although PBILDT margin declined to 32.69% in FY09 on account of increase in electricity charges, staff costs and rent on leased premises. PBILDT margins were in the range of 30% to 39% during FY07-09.

Over the years, PAT of TBVF increased in line with PBILDT. However, PAT margins widely fluctuated from 4.62% in FY07 to 11.95% in FY09. This was mainly due to increase in the depreciation and interest charges on account of debt-funded expansions.

March 26, 2010

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Similarly, the Return On Net Worth (RONW) also saw wild fluctuations and settled at 56% for FY09. Although RONW seems to be high, it has to be seen in light of low networth as on March 31, 2009. However, sustainability of the RONW remains to be seen, going forward.

The fixed assets of TBVF increased during the last three years in line with increase in the number of gyms. As on March 31, 2009 the equity share capital and tangible network stood at Rs.1.97 crore and Rs.14.90 crore respectively. The increase in tangible network as on March 31, 2009 was on account of retention of profits partially offset by increase in intangible assets. Over the years, the promoters and group companies have funded the capex by way of interest-bearing unsecured loans from the promoters.

TBVF operates on advance basis, wherein, the company receives upfront fees from the members.

Since TBVF is in capex mode with addition of new gyms every year, the stabilizing of the gyms by way of generating revenue takes time resulting in low fixed assets turnover ratio during the last three years.

Historically, TBVF's gearing levels have been high on account of debt-funded expansions and low network base. Although the long-term debt-equity and overall gearing ratios declined to 5.40x and 5.45x as on March 31, 2009, they are still high.

As on March 31, 2009, TBVF's contingent liabilities stood at Rs.12.46 crore, including corporate guarantees of Rs.12.27 crore in favour of Joint Ventures and Associates. Contingent liabilities formed a high 83.62% of TBVF's tangible network as on March 31, 2009.

During H1FY10, TBVF's net sales grew by 8.66% YoY to Rs.35.78 crore, backed by higher number of gyms. The PBILDT margin stood at 35.51% due to lower operating overheads. However, PAT margin was lower at 8.89% as compared to 11.95% for FY09 on account of higher interest charges.

On October 5, 2009, TBVF made preferential allotment of 2.91 lakh equity shares [FV of Rs.10/- each, with a premium of Rs.625/- per share] aggregating Rs.18.50 crore to its promoters/HNIs. Further, the company made a bonus issue of 1.58 crore equity shares with FV of Rs.10/- per share (ratio of 7:1) in November 2009.

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Prospects

TBVF plans to set up gyms every year across India. The capex would be mainly funded through equity infusion/internal accruals. Thus, TBVF's future growth prospects depend on successful execution of the expansion plans which in turn are dependent on successful completion of the IPO.

With the increase in health awareness and young population, demand for fitness center is envisaged to go up. However, there is intense competition from local gyms (unorganised sector) and international and national health chains.

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

March 26, 2010

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Annexure - II

Press Release

CARE assigns 'CARE IPO Grade 3' to Talwalkars Better Value Fitness Ltd.

CARE has assigned a 'CARE IPO Grade 3' to the proposed Initial Public Offer (IPO) of Talwalkars Better Value Fitness Ltd. (TBVF). 'CARE IPO Grade 3' indicates average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of that issuer. TBVF proposes an IPO of 60.50 lakh equity shares of face value of Rs.10/- each, at a price which will be determined through the book-building process.

Rating Rationale

The grading factors in promoters' experience and long track record in the fitness industry, experienced Board of Directors, established brand, favourable industry prospects and pan-India presence.

However, the grading is constrained by low entry barriers and increasing competition in the fitness industry, high level of leverage, high exposure by way of corporate guarantee towards Joint Ventures and dependence on IPO proceeds for the proposed expansion.

Company Profile

TBVF is engaged in operating gyms with various amenities, at 51 health centers spread over 24 cities all across the country. TBVF operated 51 gyms as on December 14, 2009, of which 37 were owned by TBVF, nine through Joint Ventures and Associates and five under franchisee agreement. The company's Board comprises 12 members, of whom six are Independent Directors, with Mr. Madhukar Talwalkar - Chairman, who has almost five decades of experience in the Fitness Industry.

The proceeds from the proposed issue of shares are intended to be deployed for opening of 27 new gyms, repayment of the unsecured loans from promoters and group companies, general corporate purposes and issue expenses.

On a total income of Rs.53.36 crore, TBVF earned a PAT of Rs.4.33 crore in FY09. TBVF's leverage has been high on account of debt-funded expansions and low networth base.



During H1FY10, TBVF's net sales grew by 8.66% YoY to Rs.35.78 crore, backed by higher number of gyms. PAT margin was lower at 8.89% as compared to 11.95% for FY09 on account of higher interest charges.

Analyst Contact

Name: Ms. Padmaja Parange

Tel # 6754 3433

Mobile # 99875 75584

Email: padmaja.parange@careratings.com

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

A handwritten signature in black ink, appearing to be "P. Parange".

Shri. Girish Nayak
Vice President
Talwalkars Better Value Fitness Ltd.
801-813, Mahalaxmi Chambers,
22, Bhulabhai Desai Road,
Mumbai - 400026

April 05, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to our IPO Grading letter dated February 12, 2010 and your subsequent letter dated April 01, 2010 requesting us to revalidate the grading assigned to your Initial Public Offering (IPO) of 60.50 Lac equity shares of face value of Rs.10 each.


2. It has been decided to reaffirm the grading of '**CARE IPO Grade 3**' [**Grade Three**] to the proposed IPO issue of Talwalkars Better Value Fitness Ltd. (TBVF). **CARE IPO Grade 3** indicates **average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
3. Please note that wherever '**CARE IPO Grade 3**' [**Grade Three**] appears, it should invariably be followed by the definition '**CARE IPO Grade 3** [**Grade Three**] indicates average fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**.
5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within two months from the date of this letter.




6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.
7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings.
8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,


[Pooja Shastri]
Deputy Manager


[Padmaja Parange]
Senior Manager

Encl : As above

DISCLAIMER:

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Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

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