



Rating Rationale

14 October 2022

Talwalkars Better Value Fitness Ltd

Brickwork Ratings has reaffirmed the Rating for the Bank Loan facilities of ₹ 83.90 Crore and Non Convertible Debentures of ₹105 Crore of Talwalkars Better Value Fitness Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility/Instrument**	Previous Amount (Rs. Crs)	Present Amount (Rs. Crs)	Previous Rating (October,2021)	Present Rating#
NCDs	25.00	25.00	BWR D ISSUER NOT COOPERATING* Reaffirmed	BWR D Continues to be in ISSUER NOT COOPERATING*/Reaffirmed
NCDs	30.00	30.00	BWR D ISSUER NOT COOPERATING* Reaffirmed	BWR D Continues to be in ISSUER NOT COOPERATING*/Reaffirmed
NCDs	50.00	50.00	BWR D ISSUER NOT COOPERATING* Reaffirmed	BWR D Continues to be in ISSUER NOT COOPERATING*/Reaffirmed
Term Loan	83.90	83.90	BWR D ISSUER NOT COOPERATING* Reaffirmed	BWR D Continues to be in ISSUER NOT COOPERATING*/Reaffirmed
Total	188.90	188.90	(Rupees One Hundred Eighty Eight Crores and Ninety Lakhs Only)	

please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on the best available information.

**Details of Bank facilities/NCD/Bonds/Commercial Paper is provided in Annexure-I

Nature of Non-co-operation:

The rating of the Company was due for review on October 8, 2022. BWR took up with the issuer to provide required information for review of ratings via emails dated 15th Sep 2022, 21st Sep 2022, and 27 Sep 2022. Despite the best efforts of BWR to get at least the required information for review, the entity has not provided the same. In absence of adequate information, BWR is



unable to assess the Issuer's / Company's performance and its ability to service its debt and maintain a valid rating.

Limitations of the Rating: Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating reflecting weak corporate governance.

About the Company:

TBVFL was co-promoted in 2003 by the Talwalkar family and the Gawande family. Talwalkar Better Value Fitness Limited (TBVFL) was running fitness centres under Talwalkar Brand. The history of the brand "Talwalkar " can be traced back to 1932 when the first gym was set up by the late Mr. Vishnu Talwalkar in Mumbai. Subsequently, TBVFL was demerged into two companies Talwalkar Better Value Fitness Ltd (TBVFL) & Talwalkars Lifestyles Limited whose name was changed to Talwalkars Health Clubs Limited (THL).

TBVFL-Key Financial Indicators [As Available with BWR]

Key Parameters		2019	2018
Result Type	Units	Audited (Abridged) (THL)	Audited (THL)
Operating Revenue	₹ Cr	112.6	57.33
EBITDA	₹ Cr	52	38.56
PAT	₹ Cr	14.5	8.78
Tangible Net Worth	₹ Cr	236.68	207.34
Tangible Debt/Tangible Net Worth	Times	1.09	0.93
Current Ratio	Times	1.77	5.94

Non-cooperation with previous CRA - NA



Rating History for the last three years (including withdrawn/suspended ratings)

Sr. No.	Facilities	Tenure	Present Amount Rated (₹ Crs)	Current Rating 2022	Rating History		
					2021	2020	2019
1	Term Loans	Long Term	83.90	BWR D Continues to be in ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*	BWR A+ /Stable (July 2019), BWR D (August 2019), BWR D October 2019
2	NCD-INE50 2K07138	Long Term	105.00	BWR D Continues to be in ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*	BWR A+/Stable (July 2019), BWR C (August 2019), BWR D (October 2019)
3	NCD-INE50 2K07096	Long Term	105.00	BWR D Continues to be in ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*	BWR A+/Stable (July 2019), BWR C (August 2019), BWR D (October 2019)
4	NCD-INE50 2K07120	Long Term	105.00	BWR D Continues to be in ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*/ Reaffirmed	BWR D ISSUER NOT COOPERATING*	BWR A+/Stable (July 2019), BWR C (August 2019), BWR D (October 2019)
	Total		188.90	(Rupees One Hundred Eighty Eight Crores and Ninety Lakhs Only)			

* Issuer did not cooperate, based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

Facilities	ISIN No.	Complexity
NCDs		
NCDs	INE502K07138	Complexity - on account of Put and Call Option
NCDs	INE502K07096	Simple
NCDs	INE502K07120	Simple
Bank Loans		Simple

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)
- [Service Sector](#)
- [Default Recognition and Default Curing Period](#)

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ANNEXURE I

Talwalkars Better Value Fitness Limited Details of Bank Facilities rated by BWR

SI No.	Name of the Bank	Type of Facilities	Long Term (Rs. Crs)	Short Term (Rs. Crs)	Total (Rs. Crs)
1	Axis Bank	Term Loan	62.80	-	62.80
2	South Indian Bank	Term Loan	21.10	-	21.10
Total					83.90



ANNEXURE II

INSTRUMENT (NCD/Bonds/CP) DETAILS

Borrowing Type	Issue Amount (Rs. Crs)	Outstanding Amount (Rs. Crs)	ISIN	Coupon Rate %	Maturity Date
NCD	04/10/2018	25.00	INE502K07138	9.50%	04/10/2015
NCD	08/07/2016	30.00	INE502K07096	9.85%	08/07/2021
NCD	25/10/2017	50.00	INE502K07120	9.50%	25/10/2024
Total		105.00			

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