

## Talwalkars Healthclubs Limited

May 11, 2026

| Facilities/Instruments     | Amount (₹ crore) | Rating <sup>1</sup>             | Rating Action  |
|----------------------------|------------------|---------------------------------|--|
| Long Term Bank Facilities  | 280.74           | CARE D; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |
| Non-Convertible Debentures | 25.00            | CARE D; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |
| Non-Convertible Debentures | 63.34            | CARE D; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |
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Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) had, vide its press release dated May 13, 2025, reaffirmed the rating of Talwalkars Healthclubs Limited (THL) under the 'issuer non-cooperating' category as THL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. THL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated March 29, 2026, April 08, 2026, April 13, 2026, and April 18, 2026. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating on the basis of the best available information which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Analytical approach: Standalone

The analytical approach of the company has been changed from combined to standalone, as Talwalkar Better Value Fitness Limited (TBVFL) had been acquired by the new management in liquidation process as per NCLT order dated February 26, 2026, thus resulting in operations under different management.

### Outlook: Not applicable

### Detailed description of key rating drivers:

As PR dated May 13, 2025, the following were the rating strengths and weaknesses.

### Key weaknesses

**Deteriorating debt coverage indicators; asset monetisation remains key rating monitorable:** As on March 31, 2019 (UA), the total outstanding debt stood at Rs. ~759 crore an increase of 45.30%. The debt was primarily on account of to fund its various expansion plans, predominantly for the David Lloyd Club in Pune. Consequently, the debt coverage metrics also deteriorated. As of March 31, 2019 (UA), the interest coverage ratio stood at 4.99x as against 7.10x as of March 31, 2018. Similarly, overall gearing as well as total debt to gross cash accruals deteriorated to 1.05x and 5.33x as against 0.89x and 3.91x respectively. Furthermore, TBVFL (combined) has invested in other complementing ventures in the lifestyle segment such as 'Sarva'. As these investments are taking longer than expected to generate material returns, adjusting for the same (including goodwill), the overall gearing ratio as on March 31, 2019 stands at 1.57x as against 1.11x as on March 31, 2018. The management

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

is looking to raise funds by the end of calendar year 2019 through various avenues such as sale of equity, sale of stake in joint ventures/associate companies and to monetise some of its gym properties by entering in a sale and lease back transaction to partially retire its debt. The ability of the company to timely raise funds and subsequent debt reduction is a key rating monitorable.

**Reduced financial flexibility:** The financial flexibility of TBVFL (combined) has reduced on account of significant reduction in market capitalisation along with increase in promoters' pledged shares. The promoters' stake pledged has increased to 76.11% (TBVFL) and 77.30% (THL) as on June 30, 2019. The ability of the promoters to reduce quantum of pledged shares continues to remain a key rating monitorable.

**Relatively moderate scale of operations:** TBVFL's scale of operations are moderate and seasonal in nature as second quarter and fourth quarter of the fiscal year together contribute almost 61% of its overall consolidated revenues in FY19. Hence, any adverse impact on the business in the peak season may adversely impact the profitability.

**On-going significant capex towards existing line of business as well as towards newer business segments which have not generated returns in line with expectation:** During FY19, on a combined basis, the company had incurred capex of Rs. 173.03 crore of which, Rs. 111.18 crore was for gym business and Rs. 61.84 crore was for the lifestyle business. The company's ability to improve its asset turnover and increasing turnover of higher value-added segment is crucial to improve its credit profile. Further, the company is setting up a club in Pune in collaboration with David Lloyd Leisure Limited which got delayed and is expected to start operation shortly. The performance in terms of member addition remains a rating sensitivity.

### Key strengths

**Long track record and extensive experience of the promoters in the fitness industry:** TBVFL and THL, promoted jointly by the Talwalkar and Gawande families in 2003 has well-established track record of operating gyms/fitness centres of over a decade and half in the fitness industry with presence across the country. The brand "Talwalkars" is in existence since 1932. The promoters, Mr Madhukar Talwalkar and Mr Prashant Talwalkar, have more than four decades of experience in various segments/aspects of fitness industry.

**Diversified product portfolio; albeit higher dependence on revenues from gym services:** TBVFL (combined) have a diversified product portfolio offering multiple products spanning from basic gym services to aerobics, yoga, diet-based weight reduction programs, massage, spa, and health counselling. While the contribution from its value added services is increasing the company continues to derive major share of revenues from basic gym services across its outlets

### Liquidity: Poor

There are ongoing delays in company's debt service obligations.

### Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

### About the company and industry

#### Industry classification

| Macroeconomic indicator | Sector            | Industry         | Basic industry                    |
|-------------------------|-------------------|------------------|-----------------------------------|
| Consumer Discretionary  | Consumer Services | Leisure Services | Amusement Parks/ Other Recreation |

Talwalkar Healthclubs Limited (THL), was part of 'Talwalkars group', wherein the gym business is managed by THL. THL was part of Talwalkar Better Value Fitness Limited (TBVFL), wherein the later was acquired by new management in liquidation process as per NCLT order dated February 26, 2026. THL continues to be under liquidation process under the Insolvency and Bankruptcy Code.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (A) |
|----------------------------|--------------------|--------------------|
| Total operating income     | NA                 | NA                 |
| PBILDT*                    | NA                 | NA                 |
| Profit after tax (PAT)     | NA                 | NA                 |
| Overall gearing (x)        | NA                 | NA                 |
| Interest coverage (x)      | NA                 | NA                 |

A: Audited; NA: Not available; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

Note: As the company is under liquidation, it has not filed its annual audited financial statements with MCA.

#### Status of non-cooperation with previous CRA:

As per press release dated October 10, 2025, by Brickwork Ratings, rating of THL continues to remain at BWR D; ISSUER NOT COOPERATING as the entity's management has remained non-cooperative in sharing information.

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

| Name of the Instrument                | ISIN         | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---------------------------------------|--------------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Debentures-Non Convertible Debentures | INE627Z07024 | 20-Jul-2018                   | 9.50            | 17-Jul-2025                | 25.00                       | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | INE627Z07040 | 03-Oct-2018                   | 9.50            | 03-Oct-2025                | 25.00                       | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | INE627Z07032 | 20-Aug-2018                   | 9.50            | 20-Aug-2025                | 25.00                       | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | INE502K07047 | 25-Apr-2014                   | 11.75           | 25-Apr-2020                | 8.34                        | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | INE502K07104 | 03-Jan-2017                   | 9.60            | 03-Jan-2023                | 25.00                       | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | INE502K07112 | 11-Apr-2017                   | 9.60            | 11-Apr-2023                | 30.00                       | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | INE627Z07057 | 04-Dec-2018                   | 9.5             | 04-Dec-2021                | 25.00                       | CARE D; ISSUER NOT COOPERATING*    |
| Debentures-Non Convertible Debentures | -            | 09-Feb-2019                   | 9.55            | Proposed                   | 25.00                       | CARE D; ISSUER NOT COOPERATING*    |

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Fund-based-Long Term   | -    | -                             | -               | March 2026                 | 280.74                      | CARE D; ISSUER NOT COOPERATING*    |

\*Issuer did not cooperate; based on best available information.

## Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                                 | Rating History                              |   |   |   |
|---------|--|-----------------|------------------------------|---------------------------------|---|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating                          | Date(s) and Rating(s) assigned in 2026-2027 | Date(s) and Rating(s) assigned in 2025-2026   | Date(s) and Rating(s) assigned in 2024-2025   | Date(s) and Rating(s) assigned in 2023-2024   |
| 1       | Debentures-Non Convertible Debentures  | LT              | 25.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |
| 2       | Debentures-Non Convertible Debentures  | LT              | 63.34                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |
| 3       | Fund-based-Long Term                   | LT              | 280.74                       | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |
| 4       | Debentures-Non Convertible Debentures  | LT              | 25.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |
| 5       | Debentures-Non Convertible Debentures  | LT              | 25.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |
| 6       | Debentures-Non Convertible Debentures  | LT              | 25.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |
| 7       | Debentures-Non Convertible Debentures  | LT              | 25.00                        | CARE D; ISSUER NOT COOPERATING* | -   | 1)CARE D; ISSUER NOT COOPERATING* (13-May-25) | 1)CARE D; ISSUER NOT COOPERATING* (23-May-24) | 1)CARE D; ISSUER NOT COOPERATING* (06-Jun-23) |

\*Issuer did not cooperate; based on best available information.

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

| Sr. No. | Name of the Instrument                | Complexity Level |
|---------|---------------------------------------|------------------|
| 1       | Debentures-Non Convertible Debentures | Simple           |
| 2       | Fund-based-Long Term                  | Simple           |

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of Facilities/Instruments and FSRs**

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

| Sr. No. | Facilities/Instruments Name  | Regulator of the Instruments <sup>2</sup> |
|---------|--|---|
| 1.      | Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)                             | SEBI                                      |
| 2.      | Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)                         | MCA                                       |
| 3.      | Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *                                     | SEBI                                      |
| 4.      | Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *                                 | SEBI                                      |
| 5.      | Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *                                   | RBI                                       |
| 6.      | Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year   | RBI                                       |
| 7.      | Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year   | RBI                                       |
| 8.      | Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^   | RBI                                       |
| 9.      | External Commercial Borrowings and Other Similar Borrowings  | RBI                                       |
| 10.     | Certificates of Deposit  | RBI                                       |
| 11.     | Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs   | RBI                                       |
| 12.     | Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs   | MCA                                       |
| 13.     | Inter Corporate Deposits / Loans Extended by Corporates  | MCA                                       |
| 14.     | Borrowing Programme ~  | -   |
| 15.     | Issuer Ratings #   | -   |
| 16.     | Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)                                  | SEBI                                      |
| 17.     | Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs  | SEBI                                      |
| 18.     | Listed Security Receipts   | SEBI                                      |
| 19.     | Unlisted Security Receipts   | RBI                                       |
| 20.     | Independent Credit Evaluation (ICE)  | RBI                                       |
| 21.     | Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)                 | RBI                                       |
| 22.     | Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))     | SEBI                                      |
| 23.     | Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)) | MCA                                       |

<sup>2</sup>SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

| Sr. No. | Facilities/Instruments Name  | Regulator of the Instruments <sup>2</sup>         |
|---------|--|---|
| 24.     | Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA<br>@ |

\* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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