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Corporate Information

Board of Directors

A K Nanda Chairman

Cyrus J Guzder

Vineet Nayyar

Rohit Khattar

Sridar Iyengar

Sanjeev Aga

V S Parthasarathy

Radhika Shastry

Kavinder Singh Managing Director & CEO (w.e.f. November 3, 2014)

S Krishnan Chief Financial Officer & Executive Director (w.e.f. January 22, 2015)

Head Legal & Company Secretary

Dinesh Shetty

Auditors

Deloitte Haskins & Sells

Chartered Accountants

ASV N Ramna Tower

52, Venkatnarayana Road

T. Nagar, Chennai - 600 017

Bankers

YES Bank Limited

HDFC Bank Limited

Registered Office

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Tamil Nadu, India

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CIN: L55101TN1996PLC036595

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Registrar and Share Transfer Agents

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Karvy Selenium, Tower B, Plot 31-32,

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Nanakramguda,

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Directors' Report

Directors' Report to the Shareholders

Your Directors are pleased to present their Nineteenth Report together with the audited accounts of your Company for the year ended March 31, 2015.

1. Operations / State of the Company's Affairs

During 2014-15, your Company performed creditably in a challenging macroeconomic environment. It added around 12,800 new members to its vacation ownership business, taking the total membership to around one lakh eighty three thousand at the end of the year. The new member addition was marginally higher as compared to the previous year, and reflects successful execution of Company's strategy to focus on quality 'pull' leads from referrals and digital channels. During the year, the pace of room inventory expansion was commendable. It added another 409 units to its inventory, taking the total room inventory to 2,816 units at the end of the year.

In another important development, your Company through its subsidiary Covington S.a.r.l, Luxembourg, acquired 23.32 per cent equity stake of Holiday Club Resorts Oy, Finland, Europe's leading vacation ownership company with around 50,000 members and 30 resorts – of which 22 are in Finland, 2 in Sweden and 6 in Spain. Your Company also has a right to increase its ownership within a period of two years. This investment allows your Company to offer member exchange opportunities and opens up growth opportunities in Europe and other international destinations.

Your Company's total income (including other income) grew marginally from ₹79,893 lakh in 2013-14 to ₹80,756 lakh in 2014-15. Profit after taxes (PAT) declined from ₹9,453 lakh in 2013-14 to ₹7,902 lakh in 2014-15 mainly due to increase in depreciation charge by ₹2,738 lakh, primarily due to change in useful life of the assets, and an exceptional item of ₹2,188 lakh (pre-tax) written off consequent to adjustments relating to past periods. Diluted earnings per share (EPS) was ₹8.98 in 2014-15, down from ₹10.75 in the previous year.

Your Company's consolidated total income (including other income) during 2014-15 was ₹82,964 lakh. The consolidated profit after taxes (PAT) was ₹8,122 lakh and the diluted EPS was ₹9.23.

There are no audit qualifications in the standalone or in the consolidated financial statements by the statutory auditors for the year under review.

2. Financial Highlights (Standalone)

(₹ Lakh)

	2015	2014
Income:		
Income from sale of Vacation Ownership and other services	79,485	77,752
Other Income	1,271	2,141
Total Income	80,756	79,893
Expenditure :		
Less: Employee Cost & other expenses	(61,506)	(61,851)
Profit before Depreciation, Interest and Taxation	19,250	18,042
Less: Depreciation	(6,541)	(3,803)
Interest	(25)	(97)
Profit for the year before Exceptional Item and Tax	12,684	14,142
Less: Exceptional Item (pre-tax)	(2,188)	-
Profit for the year before Tax	10,496	14,142
Less: Provision for Tax – Current Tax	(1,920)	(2,910)
– Deferred tax (net)	(674)	(1,779)
Net Profit for the year after tax	7,902	9,453
Balance brought forward from earlier years	37,688	33,335
Less : Adjustment on Amalgamation of Bell Tower Resorts Private Limited (BTRPL)	(4,560)	-
Less : Loss of BTRPL for the year 2013-14	(870)	-
Less : Depreciation adjustment consequent to transition to Schedule II of the Companies Act, 2013 net of deferred tax of ₹528 lakh	(1,026)	-
	39,134	42,788
Appropriations:		
General Reserve	(790)	(945)
Proposed Dividend on Equity Shares	(3,551)	(3,551)
Income Tax on Proposed Dividend	(723)	(604)
Surplus carried to Balance Sheet	34,070	37,688

3. Dividend and Reserve

Your Directors are pleased to recommend a dividend of ₹4/- per equity share of face value ₹10 each for the financial year ended March 31, 2015. The dividend, if approved at the ensuing Annual General Meeting, will be paid to the shareholders whose names appear on the register of members of the Company as on the Book Closure Date. The equity dividend outgo for 2014-15, inclusive of tax on distributed profits would absorb a sum of ₹4,274 lakh (as compared to ₹4,155 lakh comprising the dividend of ₹4/- per equity share paid for the previous year).

The Board of Directors proposes to transfer ₹790 lakh to the General Reserve representing around 10 per cent of the profit for the year. The balance is proposed to be retained in the Profit & Loss Account.

4. Share Capital

The paid up equity share capital as on March 31, 2015 was ₹88.78 crore. During the year under review, your Company did not issue shares with differential voting rights / sweat equity except fresh grant issued under the Company's Employee Stock Option Scheme 2014 discussed later in this report. Details of Directors' shareholding as on March 31, 2015, are mentioned in the Corporate Governance Report, which forms a part of this Annual Report.

5. Institutional Placement Programme (IPP)

During 2013-14, your Company had successfully carried out an Institutional Placement Programme (IPP) and allotted the shares to Qualified Institutional Buyers (QIBs) under Chapter VIII-A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, in order to meet the minimum public shareholding requirements of 25 per cent. Your Company had issued and allotted 41,41,084 Equity Shares of ₹10 each at a premium of ₹245 per share aggregating to ₹10,560 lakh to QIBs under IPP.

Your Directors are pleased to inform you that during the year under review, your Company completed the utilisation of funds raised from the IPP towards the objects of the issue.

6. Schemes of Amalgamation and Arrangement pertaining to wholly owned subsidiary companies

A) Bell Tower Resorts Private Limited

During the year under review, Bell Tower Resorts Private Limited (BTRPL), a wholly owned subsidiary company of the Company, was amalgamated with the Company with effect from July 31, 2014, being the date of filing the Orders of Hon'ble High Courts of Bombay at Goa and Madras with the Registrar of Companies at Goa and Chennai respectively.

Consequent to the above, BTRPL ceased to be subsidiary of the Company and all the assets and liabilities of BTRPL have been transferred to and vested in the Company pursuant to the Scheme of Amalgamation and Arrangement ("the Scheme") with effect from April 1, 2013 ("the Appointed Date"). There was no allotment of shares to the BTRPL equity shareholders since the BTRPL was a wholly owned subsidiary of the Company. The amalgamation has been accounted under the 'pooling of interest method' referred in Accounting Standard 14 and the assets and liabilities transferred have been recorded at their book values as on the Appointed Date. Further, difference of ₹3,061 lakh between value of assets and liabilities acquired at their book value at the Appointed Date as reduced by carrying value of investment in the books of the Company was adjusted in the "Amalgamation and Reserve Account" and the same was transferred to "Securities Premium Account" on the Appointed Date as per the approved Scheme. Further, the loss of ₹870 lakh of BTRPL for the year ended March 31, 2014 has been adjusted against the surplus in the Statement of Profit and Loss at the beginning of the year.

B) Competent Hotels Private Limited, Divine Heritage Hotels Private Limited and Holiday on Hills Resorts Private Limited

During the year under review, the Board approved the Scheme of Amalgamation and Arrangement ("the Scheme") for merger of Competent Hotels Private Limited, Divine Heritage Hotels Private Limited and Holiday on Hills Resorts Private Limited, wholly owned subsidiaries (collectively referred as "Subsidiary Companies") of the Company with the Company. These Subsidiary Companies own and operate resort properties at Manali (Himachal Pradesh), Kandaghat (Himachal Pradesh) and Jaisalmer (Rajasthan) respectively.

The Board felt that it is in the best interest of the Company to merge these Subsidiary Companies with the Company so as to benefit from operational and managerial synergies in the form of economies of cost, enhancing flexibility and pooling of managerial resources. The Appointed Date of the Scheme is April 1, 2015 and the Scheme shall be effective from the last of the dates on which the certified or authenticated copies of the Orders of the Hon'ble High Courts of Delhi, Rajasthan at Jaipur, Himachal Pradesh and Madras are filed with the respective Registrar of Companies.

Subsequent to approval of the Scheme by the Board, your Company has obtained letters from BSE Limited and National Stock Exchange of India Limited conveying that they have no objections / no adverse observations in respect of the same, and your Company is in the process of filing necessary application with the Hon'ble High Court of Madras for obtaining necessary directions to convey the meetings of Shareholders of the Company for taking their approval on aforementioned merger.

7. Related Party Transactions

Your Company undertakes various transactions with related parties in the ordinary course of business. All transactions entered with related parties during the year under review were on arm's length basis and in the ordinary course of business and that the provisions of the Section 188 of the Companies Act, 2013 ("the Act") were not attracted.

During the year under review, your Company made investments in MHR Holdings (Mauritius) Limited, ("MHR Holdings") and it became wholly owned subsidiary of the Company. Further, your Company has provided corporate guarantees on behalf of MHR Holdings in respect of funds raised by it in Mauritius in order to make investments in Holiday Club Resorts Oy, Finland (HCR). These investments in HCR by MHR Holdings were made through its wholly owned subsidiary Covington s.a.r.l., in Luxembourg. Your Directors confirm that these transactions with MHR Holdings are in the ordinary course of business and at arm's length as per the transfer pricing guidelines.

Apart from the above transactions with MHR Holdings, your Company had not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of the above material related party transactions with MHR Holdings at an aggregate level for the year ended March 31, 2015 is annexed to this report as Annexure 1.

There were no materially significant related party transactions with the Promoters, Directors and Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions and also in dealing with related party transactions as approved by the Audit Committee and the Board is available on the website of the Company at the following link: http://www.clubmahindra.com/sites/default/files/Policy_on_Materiality.pdf.

Your Directors draw attention of the members to Note No. 41 to the standalone financial statements which sets out related party disclosure.

8. Particulars of Loans and Advances, Guarantees or Investments

As your Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186 of the Act related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of such loans made, and guarantees given to / on behalf of subsidiary companies / JV company are provided in the standalone financial statement at Note No.41. These loans and guarantees for which loans are provided are proposed to be utilised by the respective recipients for their business purposes.

Particulars of investments made by the Company are provided in the standalone financial statement at Note Nos. 13 and 16.

The details of loans and advances which are required to be disclosed in the Annual Accounts of the Company pursuant to Clause 32 of the Listing Agreement are furnished separately as Annexure 2 to this report.

9. Significant and Material Orders passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators/Courts/Tribunal which would impact the going concern status of the Company and its operations in future.

10. Corporate Social Responsibility

Corporate Social Responsibility (CSR) activities of the Company are guided by its CSR Policy, which is framed and approved by the Board. These are discussed in detail in the Management Discussion and Analysis Report, which forms a part of this Annual Report. The statutory disclosure with respect to CSR activities forms part of this Annual Report and is annexed herewith as Annexure 3.

11. Sustainability

In line with the philosophy of the Mahindra Group, your Company is committed by following sustainable practices in its operations. The details of the initiatives taken by your Company in this regard are discussed in the section on Sustainability in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

12. Corporate Governance Report

A Report on Corporate Governance along with a certificate from the statutory auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement forms a part of this Annual Report.

13. Management Discussion and Analysis Report

A detailed analysis of the Company's operational and financial performance as well as the initiatives taken by the Company in key functional areas such as Member Relations, Quality and Information Technology are separately discussed in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

14. Vigil Mechanism / Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting Whistle Blower Policy pursuant to which whistle blowers can raise concerns in prescribed manner. Further, the mechanism adopted by the Company encourages a whistle blower to

report genuine concerns or grievances and provides for adequate safeguards against victimisation of the whistle blower who avails of such mechanism as well as direct access to the Chairman of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

None of the whistle blowers have been denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy is available on the website of the Company http://www.clubmahindra.com/sites/default/files/MHRIL_Whistle_Blower_Policy.pdf.

15. Employees' Stock Option

During the year under review, in order to enable its employees to participate in the Company's future growth and financial success and on the basis of the approval obtained from the Members through Postal Ballot, your Company had formulated the Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2014 (MHRIL ESOS 2014). The MHRIL ESOS 2014 is administered and implemented in accordance with the directions of the Nomination and Remuneration Committee (the "Committee") and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI Regulations"). The MHRIL ESOS 2014 will be administered and implemented either through existing Mahindra Holidays & Resorts India Limited Employees Stock Option Trust (the "Trust") or through a trust or other entity which may be setup for this purpose or directly by the Company.

The earlier employee stock option scheme i.e. Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2006 (MHRIL ESOS 2006) will remain in operation till the exercise of options granted under this scheme.

During the year under review, on the recommendation of the Committee, 6,20,000 new options were granted under the MHRIL ESOS 2014. Details required to be provided under the SEBI Regulations and the Act in respect of MHRIL ESOS 2006 and MHRIL ESOS 2014 are set out in Annexure 4 to this Report.

A certificate from the statutory auditors of the Company that the MHRIL ESOS 2006 and MHRIL ESOS 2014 have been implemented in accordance with the SEBI guidelines and regulations, and the resolution passed by the shareholders, would be placed at the ensuing Annual General Meeting for inspection by members.

16. Subsidiaries, Joint Venture and Associate Companies

During the year under review, Mahindra Holidays and Resorts USA Inc., ceased to be subsidiary of your Company consequent

upon voluntary dissolution with effect from May 19, 2014 and Bell Tower Resorts Private Limited ("BTRPL") ceased to be subsidiary of your Company subsequent to amalgamation of BTRPL with the Company with effect from July 31, 2014.

During the year under review, Competent Hotels Private Limited and MHR Holdings (Mauritius) Limited, Mauritius ("MHR Holdings"), became wholly owned subsidiary companies of your Company with effect from June 18, 2014 and July 11, 2014 respectively. Covington S.a.r.l, Luxemburg, became wholly owned subsidiary company of MHR Holdings with effect from July 17, 2014 and in turn became subsidiary of the Company. As of March 31, 2015 your Company has 10 subsidiaries, 1 JV company and 2 associate companies.

17. Performance of Subsidiaries

Domestic Subsidiaries

Divine Heritage Hotels Private Limited (DHHPL), a wholly owned subsidiary company of the Company. DHHPL own and operate a resort property at Jaisalmer, Rajasthan.

Holiday on Hills Resorts Private Limited (HHRPL), a wholly owned subsidiary company of the Company. HHRPL own and operate a resort property at Kandaghat, Himachal Pradesh.

During the year under review, Competent Hotels Private Limited (CHPL), became a wholly owned subsidiary of the Company with effect from June 18, 2014. CHPL own and operate a resort property at Manali, Himachal Pradesh.

Gables Promoters Private Limited (GPPL), is the wholly owned subsidiary company of the Company. GPPL is currently developing a resort property of around 100 rooms at Naldhera, Shimla, Himachal Pradesh and accordingly, GPPL is yet to commence its operation.

Mahindra Hotels and Residences India Limited (MHARIL) is the wholly owned subsidiary company of the Company. MHARIL did not have any operation during the year under review.

During the year under review, erstwhile Bell Tower Resorts Private Limited which owned and operated a resort property at Goa was ceased to be subsidiary company of the Company consequent to the amalgamation with the Company with effect from July 31, 2014.

Foreign Subsidiaries

Heritage Bird (M) Sdn. Bhd, Malaysia (Heritage Bird) is the wholly owned subsidiary company of the Company. Heritage Bird's principal activities are holding of investment properties and provision for time sharing services. Heritage Bird own rooms in a well-known location at Kuala Lumpur, Malaysia.

MH Boutique Hospitality Limited, Thailand (MH Boutique), in which your Company holds forty nine per cent of equity stake,

is the subsidiary of the Company by virtue of control on the composition of the Board of MH Boutique and it mainly holds investments in Infinity Hospitality Group Company Limited, Thailand.

Infinity Hospitality Group Company Limited, Thailand (Infinity) is the subsidiary company of MH Boutique and by virtue of the same is also subsidiary of the Company. Infinity own and operate a hotel property at Bangkok, Thailand.

During the year under review, MHR Holdings (Mauritius) Limited, Mauritius (MHR Holdings), became wholly owned subsidiary company of the Company with effect from July 11, 2014. The principal activity of MHR Holdings is to hold investments.

During the year under review, Covington S.a.r.l, Luxemburg (Covington) became wholly owned subsidiary company of MHR Holdings with effect from July 17, 2014 and in turn became subsidiary of your Company. Further, as reported earlier in this report, Covington, during the year under review, had invested in share capital of Holiday Club Resorts Oy, Finland.

During the year under review, the erstwhile Mahindra Holidays and Resorts USA Inc., ceased to be wholly owned subsidiary of the Company consequent to voluntary dissolution with effect from May 19, 2014.

Joint Venture

Arabian Dreams Hotel Apartments LLC, Dubai, operates a hotel property in Dubai (UAE) and is a Joint Venture company of the Company.

Associate Companies

During the year under review, your Company made investment in Holiday Club Resorts Oy, Finland (HCR), a Europe's leading vacation ownership company, through its subsidiary, Covington, to the extent of 23.32 per cent in equity share capital of HCR. Accordingly, HCR became an associate company of Covington and in turn an associate company of the Company.

Guestline Hospitality Management & Development Services Limited (Guestline) became an associate company of your Company pursuant to the provisions of the Act, as the Company is holding more than 20% of total share capital which includes preference share capital. Guestline did not have any operations during the year under review.

A report on the performance and financial position of each of the subsidiaries, associate and joint venture companies as per the Companies Act, 2013 is provided as Annexure A to the Consolidated Financial Statement and hence not repeated here for the sake of brevity. The policy for determining material subsidiaries as approved by the Board may be

accessed on the Company's website at the link: http://www.clubmahindra.com/sites/default/files/Policy_for_Determining_Material_Subsiidiaries.pdf. During the year under review, there were no Material Subsidiaries and Material Indian Non-Listed Subsidiaries of the Company, in terms of the proviso to revised Clause 49 V of the Listing Agreement and Company's Policy for Determining Material Subsidiaries.

In accordance with third proviso to Section 136(1) of the Act, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements are available on Company's website www.clubmahindra.com. Further, as per fourth proviso to the said Section, the audited annual accounts of each of the said subsidiary companies of the Company are also available in the Company's website www.clubmahindra.com. Any shareholder who may be interested in obtaining a copy of the aforesaid documents may write to the Company Secretary at the Company's Registered Office. Further, please note that the said documents will be available for examination by the shareholders of the Company at its Registered Office during business hours.

18. Directors

As on March 31, 2015, your Company had 10 Directors, which include 5 Independent Directors (IDs), 3 Non-Executive Directors (NEDs) and 2 Executive Directors (EDs).

A) Appointment of Directors

At the last Annual General Meeting of the Company held during the year under review, the members approved the appointments of Mr. Cyrus Guzder, Mr. Sridar Iyengar, Mr. Rohit Khattar and Mr. Sanjeev Aga, as Independent Directors, not liable to retire by rotation, for a period of 5 years.

During the year, in terms of the Section 149 of the Act and Clause 49 of the Listing Agreement, and on the recommendation of Nomination and Remuneration Committee (NRC), the Board had appointed Ms. Radhika Shastry and Mr. V S Parthasarathy as Additional Directors on the Board with effect from August 27, 2014.

The Board of Directors at their meeting held on September 29, 2014, on the recommendation of NRC, appointed Mr. Kavinder Singh as an Additional Director with effect from November 3, 2014, and as Managing Director & CEO for a period of 5 years.

Subsequently, Members through Postal Ballot on December 26, 2014, approved the appointment of Mr. Parthasarathy as a Non-Executive Director of the Company, liable to retire by rotation, and Ms. Shastry as Independent Director, not liable to retire by rotation, for a period of 5 years. Members also approved the appointment of Mr. Kavindar Singh as Managing Director & CEO of the Company for a period of 5 years from

November 3, 2014 and the remuneration payable to him for a period of 3 years.

During the year under review, on the recommendation of NRC, Mr. S Krishnan, Chief Financial Officer of the Company was appointed as an Additional Director on the Board of the Company with effect from January 22, 2015. Mr. S Krishnan, subject to approval of shareholders, has also been appointed as Whole Time Director on the Board of the Company for a period of 3 years with effect from January 22, 2015 and designated as Chief Financial Officer & Executive Director. Mr. Krishnan holds the office as an Additional Director upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a notice under Section 160 of the Act with the requisite deposit from a member proposing Mr. S Krishnan as a candidate for the post of Director of the Company. Accordingly, the approval of Members of the Company is being sought for his appointment as Chief Financial Officer & Executive Director for a period of 3 years in the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

B) Director Retiring by Rotation

In terms of the Articles of Associations of the Company and as per Section 152(6) of the Act, Mr. Vineet Nayyar, being longest in the office, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

C) Resignation of Director

Mr. Uday Phadke, Non Executive Director, resigned from the Board of the Company with effect from the conclusion of the 18th Annual General Meeting of the Company held on August 27, 2014. The Board places on record its deep sense of appreciation for the valuable contribution made by Mr. Phadke during his long association with the Company.

19. Key Managerial Personnel

Mr. Kavinder Singh, Managing Director & CEO was appointed as Key Managerial Personnel (KMP) of the Company with effect from November 3, 2014. In addition, Mr. S Krishnan, Chief Financial Officer & Executive Director, and Mr. Dinesh Shetty, Head Legal & Company Secretary, are other KMPs as per the provisions of the Act and were already in office before the commencement of the Act. None of the KMPs resigned during the year.

20. Board Evaluation

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, evaluation of every Director's performance

was done by Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof and Chairman of the Company was carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regard to skill, experience, independence, diversity; attendance and adequacy of time given by the Directors to discharge their duties; Corporate Governance practices etc. The Directors expressed their satisfaction with the evaluation process.

The Policy on appointment of Directors and Senior Management, Policy on Remuneration of Directors and Policy on Remuneration of Key Managerial Personnel and Employees are attached herewith and marked as Annexure 5, Annexure 6A and Annexure 6B respectively.

The Managing Director & CEO and Chief Financial Officer & Executive Director do not receive remuneration or commission from any of its subsidiaries and draw remuneration only from the Company.

21. Number of Board Meetings

During the year under review, the Board of Directors met 8 (Eight) times. The details of board meetings and attendance of Directors are provided in the Report on Corporate Governance, which forms a part of this Annual Report.

22. Composition of Audit Committee

The Board has constituted the Audit Committee with Mr. Sridar Iyengar as its Chairman and Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga and Mr. V S Parthasarathy as its other members. Further details are provided in the Report on Corporate Governance, which forms a part of this Annual Report.

23. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable Accounting Standards had been followed and there is no material departure;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;

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

24. Internal Financial Controls and Their Adequacy

Your Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency. Further details are provided in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

25. Consolidated Financial Statement

Pursuant to Section 129 of the Act, the Company has prepared consolidated financial statements of the Company, which shall be laid before the ensuing 19th Annual General Meeting of the Company along with the laying of the Company's Financial Statement under sub-section (2) of Section 129 of the Act i.e. Standalone Financial Statement of the Company.

Further, pursuant to the provisions of Accounting Standard 21, Consolidated Financial Statements notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company along with its subsidiaries, Joint Venture and associate company for the year ended March 31, 2015, form part of this Annual Report.

26. Risk Management

Your Company has a well-defined risk management framework to identify and evaluate elements of business risk. These are discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

27. Auditors

A) Statutory Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, Chennai, statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

As required under the provisions of Sections 139 and 141 of the Act, the Company has obtained a written certificate from the above auditors proposed to be reappointed to the effect that their re-appointment, if made, would be in conformity with the provisions specified in the said Sections.

B) Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and Rules thereunder, the Company has appointed Mr. Mukesh Siroya, Practising Company Secretary to undertake the secretarial audit of the Company. The Report of the secretarial audit is annexed herewith as Annexure 7.

With respect to the observation made in the secretarial audit report, consequent upon the resignation of erstwhile Managing Director & CEO ("MD&CEO") with effect from the closure of business hours on March 31, 2014, your Company's Board of Directors at their meeting held on September 29, 2014, had filled up the vacancy by appointing Mr. Kavinder Singh as MD & CEO of the Company. However, he joined the Company only with effect from November 3, 2014, due to his commitment with his previous employer.

Apart from the above observation, there are no qualifications, reservations or adverse remarks made by Mr. Mukesh Siroya, Practising Company Secretaries, Secretarial Auditors of the Company in their secretarial audit report.

28. Deposits

Your Company has not accepted any fixed deposits and, as such no amount of principal or interest are outstanding as of the Balance Sheet date. Your Company has not accepted any deposits from the public or its employees during the year under review.

29. Material Changes and Commitment Affecting Financial Position of the Company

There are no material changes and commitments, affecting financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2015, and the date of the Directors' Report.

30. Extract of Annual Return

An extract of the Annual Return as of March 31, 2015 pursuant to the sub section (3) of Section 92 of the Act, in form MGT 9 is annexed herewith as Annexure 8.

31. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations. Some of these initiatives are discussed in the section on Sustainability in the Management Discussion and Analysis Report.

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act and Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in the Annexure 9 to this Report.

32. Human Resources

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. It considers people as its biggest assets. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership. Your Company has a structured induction process at all its locations and management development programs to upgrade skills of managers. These are discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. During the year under review, the Company received three complaints under the Policy, all of which were disposed-off.

33. Particulars of Employees

The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of Section 197(12) of the Act with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules"), forms a part of this Annual Report as Annexure 10.

The Company had 8 employees who were employed throughout the year and were in receipt of remuneration more than ₹60 lakh per annum and 1 employee was employed for part of the year and was in receipt of remuneration of more than ₹5 lakh per month. In terms of Section 136 of the Act, the copy of the financial statements of the Company, including the consolidated financial statements, the auditor's report and relevant annexures to the said financial statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said Rules, which is available for inspection by the Members at the Company's Registered Office during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, he may write to the Company Secretary of the Company at its Registered Office. The financial statements, reports etc. of the Company are available on the website of the Company www.clubmahindra.com.

34. Acknowledgement and Appreciation

Your Directors take this opportunity to thank the Company's customers, shareholders, suppliers, bankers, financial institutions and the Central and State Governments for their unstinted support. The Directors would also like to place on record their appreciation to employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board

A K NANDA
Chairman

Place: Mumbai

Date: May 18, 2015

ANNEXURE 1 TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Form No. AOC – 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- 1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**
- 2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party Nature of relationship	MHR Holdings (Mauritius) Limited (MHR Holdings) Wholly owned subsidiary of the Company	
(b) nature of contracts/arrangements/ transactions	Corporate Guarantees (‘Guarantees’)	Investment in Share Capital
(c) Duration of the contracts / arrangements / transactions	5 Years	NA
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Guarantees given on behalf of MHR Holdings by the Company guaranteeing repayments of foreign currency loans to a Bank raised by MHR Holdings. Period of the Guarantees are 5 years. Aggregate Value of the guarantees given is Euro 11.2 Million (equivalent to ₹7,577 lakh as on March 31, 2015).	Investments of Euro 145,000 (equivalent to INR 115 lakh as on March 31, 2015) in the Share Capital of MHR Holdings.
(e) Date(s) of approval by the Board , if any:	NA	NA
(f) Amount paid as advances, if any;	Nil	Nil

The above mentioned transactions were entered into by the Company in its ordinary course of business.

Mumbai
May 18, 2015For and on behalf of the Board
A K NANDA
Chairman**ANNEXURE 2 TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015****Loans and Advances as per Clause 32 of the Listing Agreement:**

Particulars of loans and advances to subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement.

Loans and advances in the nature of loans to subsidiaries:

(₹ in lakh)

Name of the Company	Balance as on March 31, 2015	Maximum outstanding during the year
Heritage Bird (M) Sdn Bhd.	800.92	916.05
Holiday on Hills Resorts Private Limited	2955.51	2955.51
Divine Heritage Hotels Private Limited	2764.33	2764.33
Infinity Hospitality Group Company Limited	2621.65	2621.65
MH Boutique Hospitality Limited	535.87	535.87
Gables Promoters Private Limited	2117.86	2117.86

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES							
1	A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	At Mahindra Holidays & Resorts India Limited (MHRIL) CSR activities were undertaken through its own CSR department, in the following manner. 1. Through active involvement of employees under ESOPs (Employee Social Options Program) which is the employees volunteering program in the area around our 40 Resorts across India. 2. Through partnerships with our Group Corporate Foundations namely: the Mahindra Foundation, The K C Mahindra Education Trust which promotes girl child education through Nanhi Kali programme. 3. Through partnerships with other reputed Not For Profit Organizations having an established track record of at least 3 years in carrying on the specific CSR activity. MHRIL's CSR Policy is available under the Company's website: http://www.clubmahindra.com/sites/default/files/MHRIL_CSR_Policy.pdf					
2	The Composition of the CSR Committee	Mr. Arun Nanda, Chairman Mr. Cyrus J Guzdar Mr. V.S. Parthasarathy Mr. Kavinder Singh					
3	Average Net Profit of the Company for last 3 financial years	₹149.70 crore					
4	Prescribed CSR expenditure (2% of this amount as in item 3 above)	₹2.99 crore					
5	Details of CSR spent for the financial year:						
	a) Total amount to be spent for the financial year	₹2.99 crore					
	b) Amount unspent, if any;	Nil					
	c) Manner in which the amount spent during the financial year 2014-15 is detailed below						
	CSR project/activity identified	Sector in which the Project is covered	Projects/Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct or through implementing agency)
				(₹ in lakh)			
	Conservation & renovation of school buildings and classrooms	Promotion of education.	Pan India where MHRIL has existing resorts (Mussoorie, Ku marakom, Poovar, Coorg, Pudu chery, Ashtamudi, Binsar, Corbett, Dharamsala, Ooty, Udaipur, Naukuchiatal) and Mumbai	232.29	226.29	226.29	Direct and alongwith K C Mahindra Trust, Chhatrapati Shikshan Mandal, Hejamadi-Kodi Vidyaprasara Foundation, Jeevan Vidya Mission, Junoon Project at Mumbai Arts at Play with School Education, Masoom and Shri Raj Educational Centre
	Access to safe drinking water	Safe drinking water, Eradicating hunger & poverty	Gangtok	1.87	1.22	1.22	Direct
	Haryali Projects, Cleaning drives, Waste Management	Ensuring environmental sustainability.	Pan India where MHRIL has existing resorts (Ashtamudi, Ba iguny, Binsar, Cherai, Kandagha t, Mussoorie, Pondicherry, Kumar akom and Corbett)	28.01	28.00	28.00	Direct and alongwith Waste Warrior
	Healthcare including preventive health care	Health care	Mussoorie, Kumarakom and Mumbai	7.05	7.04	7.04	Direct and alongwith Cancer Patients Aids Association
	Promoting Preventive health care and sanitation	Sanitation	Puducherry and Coorg	1.33	1.15	1.15	Direct
	Development activities in villages	Rural Development	Dharamsala, Kumbhalgarh and Mumbai	6.74	6.74	6.74	Direct and alongwith Jeevan Vidya
	Support for Orphanages	Support for Orphanages	Naukuchiatal, Baiguney and Chennai	2.73	2.73	2.73	Direct and alongwith SIP (South Indian Positive Network) Memorial Trust
	Support for old age Homes	Support for old age Homes	Manali and Pondicherry	1.57	1.58	1.58	Direct
	Providing Relief Measures	For relief and welfare of the victims affected due to natural calamity	Mahabaleswar	0.85	0.85	0.85	Direct
	Support art by Visually impaired	Livelihood enhancement activities	Mumbai	0.67	0.67	0.67	Beyond Sight Foundation
	Employment enhancing vocation skills especially among disabled	Employment enhancing vocation skills especially among disabled	Chennai	17.70	17.70	17.70	Vidya Sagar, The Banyan and The Shakti Foundation
	Support to Animal welfare	Animal welfare	Mumbai	5.00	5.00	5.00	Animal Welfare Animal Matters To Me at Mumbai
	Donation to Prime Minister's Relief Fund	Prime Minister's National relief Fund	Delhi	5.00	5.00	5.00	Direct
				310.79	303.97	303.97	
6	In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report:	The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.					
7	The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.						

Kavinder Singh
Managing Director & CEO

A K Nanda
Chairman of Corporate Social Responsibility Committee

Mumbai, May 18, 2015

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

Information to be disclosed under Securities and Exchange Board of India (Share Based Employees Benefits) Regulation, 2014 and Companies Act, 2013 and Rules made thereunder:									
Mahindra Holidays & Resorts India Limited Employee Stock Option Scheme (MHRIL ESOS)									
2006									
2014									
a)	Options granted	1951350							620000
b)	The pricing formula	Grant II - Granted on March 30, 2007	Grant III - Granted on November 1, 2007	Grant V - Granted on November 1, 2008	Grant VI - Granted on February 21, 2012	Grant VII - Granted on February 21, 2012	Grant VIII - Granted on February 21, 2013	Grant IX - Granted on January 29, 2014	Grant I - Granted on January 22, 2015
		The options were granted prior to the listing of Company's shares. These options were granted, based on the valuation done by an independent Chartered Accountant using Discounted Cash Flow Method			Average price preceding the specified date - July 25, 2011	Average price preceding the specified date - October 29, 2011	Average price preceding the specified date - January 31, 2013	Average price preceding the specified date - January 29, 2014	Average price preceding the specified date - January 22, 2015
	Average price	- average of the daily high and low of the prices of the Company's Equity Shares quoted on National Stock Exchange of India Limited during the 15 days preceding the specified date.							
	The specified date	- Date on which the Remuneration Committee decided to recommend to the Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust to grant the Options.							
c)	Options vested	1,232,222 Options stand vested on March 31, 2015.							Nil
d)	Options exercised	897,943							Nil
e)	The total number of shares arising as a result of exercise of options	897,943 Equity Shares of ₹10/- each. These were transferred from the Trust to the Eligible Employees.							Nil
f)	Options lapsed	561,168							Nil
g)	Exercise Price (in ₹)	52	52	52	370	323	323	253	264
h)	Variation of terms of options	The Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2006 formulated prior to the Initial Public Offering (IPO) of the Company was ratified by the Company subsequent to IPO on 16th December, 2009 by seeking the consent of shareholders through Postal Ballot and subsequently the scheme has been modified.							NA
i)	Money realised by exercise of options	₹ 24,404,896.00							Nil
j)	Total number of options in force	496,652							620,000
k)	Employee-wise details of options granted to:								
i)	Key Managerial Personnel	Names of Directors and Key Managerial Persons to whom stock options have been granted	Number of options granted in March, 2007 *	Number of options granted in November, 2007 **	Number of options granted in November, 2008 ***	Number of options granted in February, 2012 #	Number of options granted in February, 2013 #	Number of options granted in January, 2014 #	Number of options granted in January, 2015 ##
		Mr.A K Nanda	-	9,510	10,500	-	-	-	-
		Mr.Vineet Nayyar	-	10,000	-	-	-	-	-
		Mr. Sridar Iyengar	-	-	-	27,500	-	-	-
		Mr. Ravindera Khanna	3,570	-	2,830	-	-	-	-
		Mr. Mohit Bhatia	-	-	-	54,000	-	-	-
		Mr. Rohit Malik	-	-	-	-	60,000	-	-
		Mr. Dinesh Shetty	-	-	-	-	40,000	-	-
		Mr. Sujit Paul	-	-	-	-	30,000	-	-
		Ms. Deepali Naair	-	-	-	-	-	35,000	-
		Mr. Kavinder Singh	-	-	-	-	-	-	400,000
		Mr. S Krishnan	-	-	-	-	-	-	200,000
		Mr. Subash Kelkar	-	-	-	-	-	-	20,000
		* All the above Options have been exercised.							
		** 56,700 options have been vested till March 31, 2015, of which 55,114 options have been exercised by the eligible employees.							
		*** 160,600 options have been vested till March 31, 2015, of which 141,762 options have been exercised by the eligible employees.							
		# Options vested during the year but not exercised							
		## fresh Grant of Options made during the year.							
ii)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Names	Number of options granted in February 2012	Names	Number of options granted in February 2013	Names	Number of options granted in January 2014	Names	Number of options granted in January 2015
		Mr. Mohit Bhatia	54,000	Mr. Rohit Malik	60,000	Ms. Deepali Naair	35,000	Mr. Kavinder Singh	400000
				Mr. Dinesh Shetty	40,000			Mr. S Krishnan	200000
				Mr. Sujit Paul	30,000				



iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL																																																														
l)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	₹ 8.98																																																														
m)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by ₹ 63.39 lakh. Profit after tax lower by ₹ 63.39 lakh and the basic and diluted earnings per share would have been lower by ₹ 0.07.																																																														
n)	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.</th> <th colspan="3">MHRIL ESOS 2006</th> <th colspan="3">MHRIL ESOS 2014</th> </tr> <tr> <th>Options Grant Date</th> <th>Exercise Price (₹)</th> <th>Fair Value (₹)</th> <th>Options Grant Date</th> <th>Exercise Price (₹)</th> <th>Fair Value (₹)</th> </tr> </thead> <tbody> <tr> <td></td> <td>March 30, 2007</td> <td>52.00</td> <td>16.36</td> <td>January 22, 2015</td> <td>264.00</td> <td>97.24</td> </tr> <tr> <td></td> <td>November 1, 2007</td> <td>52.00</td> <td>16.55</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>November 1, 2008</td> <td>52.00</td> <td>16.04</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>February 21, 2012</td> <td>370.00</td> <td>113.81</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>February 21, 2012</td> <td>323.00</td> <td>129.93</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>February 21, 2013</td> <td>323.00</td> <td>94.43</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>January 29, 2014</td> <td>253.00</td> <td>83.75</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	MHRIL ESOS 2006			MHRIL ESOS 2014			Options Grant Date	Exercise Price (₹)	Fair Value (₹)	Options Grant Date	Exercise Price (₹)	Fair Value (₹)		March 30, 2007	52.00	16.36	January 22, 2015	264.00	97.24		November 1, 2007	52.00	16.55					November 1, 2008	52.00	16.04					February 21, 2012	370.00	113.81					February 21, 2012	323.00	129.93					February 21, 2013	323.00	94.43					January 29, 2014	253.00	83.75				
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o)	<p>A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Grant dated March 30, 2007</th> <th>Grant dated November 1, 2007</th> <th>Grant dated November 1, 2008</th> <th>Grant dated February 21, 2012</th> <th>Grant dated February 21, 2012</th> <th>Grant dated February 21, 2013</th> <th>Grant dated January 29, 2014</th> <th>Grant dated January 22, 2015</th> </tr> </thead> <tbody> <tr> <td>(i) risk-free interest rate,</td> <td>7.92%</td> <td>7.72%</td> <td>7.34%</td> <td>8.00%</td> <td>8.00%</td> <td>7.78%</td> <td>8.81%</td> <td>7.74%</td> </tr> <tr> <td>(ii) expected life,</td> <td>5.00</td> <td>5.00</td> <td>5.00</td> <td>6.00</td> <td>6.00</td> <td>3.50</td> <td>3.50</td> <td>3.50</td> </tr> <tr> <td>(iii) expected volatility,</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>0.33</td> <td>0.33</td> <td>0.31</td> <td>0.29</td> <td>0.29</td> </tr> <tr> <td>(iv) expected dividends, and</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>₹4.00</td> <td>₹4.00</td> <td>1.38%</td> <td>1.66%</td> <td>1.48%</td> </tr> <tr> <td>(v) the price of the underlying share in market at the time of option grant.</td> <td colspan="3">Not Applicable as the shares of the Company are not listed at the time of option grant.</td> <td>329.80</td> <td>329.80</td> <td>290.10</td> <td>240.35</td> <td>270.25</td> </tr> </tbody> </table> <p>The fair value of the stock options have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:</p>		Grant dated March 30, 2007	Grant dated November 1, 2007	Grant dated November 1, 2008	Grant dated February 21, 2012	Grant dated February 21, 2012	Grant dated February 21, 2013	Grant dated January 29, 2014	Grant dated January 22, 2015	(i) risk-free interest rate,	7.92%	7.72%	7.34%	8.00%	8.00%	7.78%	8.81%	7.74%	(ii) expected life,	5.00	5.00	5.00	6.00	6.00	3.50	3.50	3.50	(iii) expected volatility,	Nil	Nil	Nil	0.33	0.33	0.31	0.29	0.29	(iv) expected dividends, and	Nil	Nil	Nil	₹4.00	₹4.00	1.38%	1.66%	1.48%	(v) the price of the underlying share in market at the time of option grant.	Not Applicable as the shares of the Company are not listed at the time of option grant.			329.80	329.80	290.10	240.35	270.25									
	Grant dated March 30, 2007	Grant dated November 1, 2007	Grant dated November 1, 2008	Grant dated February 21, 2012	Grant dated February 21, 2012	Grant dated February 21, 2013	Grant dated January 29, 2014	Grant dated January 22, 2015																																																								
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Note: (i) The entire options granted under Grant - IV on 4th February, 2008 were either lapsed or surrendered.
(ii) The options granted under Grant II & Grant III stand augmented by 5 Bonus options for every 3 existing options on account of 5:3 Bonus Issue made in November, 2007.
(iii) Grant I either has been exercised or lapsed.

ANNEXURE 5 TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

Policy on Appointment of Directors and Senior Management

I. Appointment of Directors

- The Nomination and Remuneration Committee ('NRC') reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
 1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Independent Director for informed and balanced decision making.
 3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the

Chairman will interact with the new member to obtain his / her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

Removal of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Acts, rules and regulations thereunder or due to non - adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

Senior Management Personnel

The NRC shall identify persons who are qualified to become directors and who may be appointed in senior management cadre in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed / relieved with the authority of Managing Director & Chief Executive Officer based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed / relieved amongst the Leadership Team during a quarter shall be presented to the Board.

ANNEXURE 6A TO THE DIRECTORS REPORT AS ON MARCH 31, 2015

Policy on Remuneration of Directors

This Policy shall be effective from the financial year 2014 - 15.

Objective

The objective of the Remuneration Policy of Directors of Mahindra Holidays & Resorts India Limited ("the Company") is to focus on enhancing the value, to attract, retain and motivate Directors for achieving objectives of the Company and to place the Company in leading position.

The Nomination and Remuneration Committee (NRC) of the Board shall, while formulating the policy ensure that –

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

While deciding the policy on remuneration of Directors the Committee may consider amongst other things, the duties and responsibilities cast by the Companies Act, 2013, the Listing Agreement, various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the

industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company etc. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

Directors

The Managing Director & Chief Executive Officer is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Non-Independent Director who receives remuneration from the holding company is not paid any sitting fees or any remuneration. In addition to the above the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

Pursuant to Employee Stock Option Scheme 2006 (ESOS 2006), the Company has granted Stock Options to Directors including Independent Directors. The vesting and exercise of these Options shall continue to be governed by ESOS 2006 and terms of grant. However, as per Section 149(9) of the Companies Act, 2013, henceforth the Independent Directors will not be entitled to fresh grant of any Stock Options.

The NRC while designing the remuneration shall ensure that the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. While considering a remuneration, the NRC shall also ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC shall consider that a successful Remuneration Policy must ensure that some part of the remuneration is linked to the achievement of corporate performance targets.

Managing Director and Executive Directors

The term of office and remuneration of Managing Director and Executive Directors are subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and the limits laid down under the Companies Act, 2013 from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Managing Director and Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

If any Managing Director and Executive Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration of the Managing Director and Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director and Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

Remuneration for Managing Director and Executive Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The remuneration to the Managing Director and Executive Directors comprises of salary, perquisites and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Annual increments are effective from 1st April each year, as recommended / approved by the Remuneration Committee / Board.

The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable the Managing Director and Executive Directors to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually after the salary increment exercise.

The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and performance rating of the individual.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Managing Director and Executive Directors are entitled to customary non-monetary benefits such as company cars, health care benefits, leave travel, communication facilities, etc. as per policies of the Company. The Managing Director and Executive Directors are entitled for grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

Non-executive Directors

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval, the Commission is paid at a rate not exceeding 1% (one percent) per annum of the profits of the Company computed in accordance with the applicable provisions of the Companies Act, 2013. The distribution of Commission amongst the NEDs shall be placed before the Board.

At present, the Company pays sitting fees to the NEDs for attending the meetings of the Board and the Committees constituted by the Board from time to time.

The Directors who are members of the Corporate Social Responsibility (CSR) Committee of the Board have voluntarily waived the receipt of sitting fees for attending the CSR Committee meetings.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

ANNEXURE 6B TO THE DIRECTORS REPORT AS ON MARCH 31, 2015

POLICY ON REMUNERATION FOR KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Applicability

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component for eligible employees, which is based on performance and paid annually.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances based on laid down limits as per Company policy. The flexible component can be varied only once annually.
- The variable component of the remuneration for eligible employees, will vary from 15% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and Performance rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the CEO along with the CHRO & CFO decides:
 - o The increment that needs to be paid for different performance ratings as well as grades.
 - o The increment for promotions and the total maximum increment.
 - o The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in few relevant cases to keep it in tune with the market.
- Mid-term compensation correction, if any, are made on a case-to-case basis.
- Remuneration to the Managing Director/CEO, Whole-time Directors & KMP's are subject to the approval of the Remuneration Committee/Board.

ANNEXURE 7 TO THE DIRECTORS REPORT AS ON MARCH 31, 2015

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,
The Members,
Mahindra Holidays & Resorts India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra Holidays & Resorts India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the applicable provisions of:

- (i) The Companies Act, 1956 (the Old Act) and the rules made thereunder;
- (ii) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There is no External Commercial Borrowing in the Company; and
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client; and

- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the year under report:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- (iv) The Securities and Exchange Board of India (Sweat Equity) Regulations, 2002.

Based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations and Guidelines. Major heads/groups of Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:

- (i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- (ii) Acts as prescribed under Direct Tax and Indirect Tax;
- (iii) Acts prescribed under prevention and control of pollution;
- (iv) Acts prescribed under environmental protection;
- (v) Land Revenue laws of respective States;
- (vi) Labour Welfare Act of respective States; and
- (vii) Local laws as applicable to various offices of the Company.

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

- (i) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

The Institute of Company Secretaries of India has not prescribed any Secretarial Standards which are mandatory for the year 2014-15.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *subject to the observation that the Board of Directors of the Company at their Meeting held on September 29, 2014 had filled up the vacancy caused by the resignation of erstwhile Managing Director & CEO (with effect from April 1, 2014) though the new appointee joined the Company w.e.f. November 3, 2014.*

'Annexure A'

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to what is stated herein before. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through at the meetings of the Board of Directors of the Company. There were no dissenting views by any Member of the Board of Directors during the period under review.

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

We further report that during the audit period the company has undertaken following major corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) Completion of Amalgamation of Bell Tower Resorts Pvt Ltd, wholly owned subsidiary, with the Company w.e.f. July 31, 2014;
- (ii) Competent Hotels Private Limited and MHR Holdings (Mauritius) Limited (MHR) became wholly owned subsidiaries of the Company. Further, Covington S.a.r.l., Luxemburg, a wholly owned subsidiary of the MHR, also became subsidiary of the Company, which in turn holds in excess of 20% in Holiday Club Resorts OY, Finland;
- (iii) The members of the Company have on December 26, 2014 approved the "Mahindra Holidays & Resorts India Limited Employees Stock Option Scheme 2014" by a special resolution passed through postal ballot; and
- (iv) Board of Directors on January 22, 2015 approved the amalgamation of Divine Heritage Hotels Private Limited, Competent Hotels Private Limited and Holiday on Hills Resorts Private Limited with the Company, subject to requisite approvals.

For **M Siroya and Company**
Company Secretaries

Sd/-
Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date : May 18, 2015
Place : Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
Mahindra Holidays & Resorts India Limited

Our report of even date is to be read along with this letter.

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

For **M Siroya and Company**
Company Secretaries

Sd/-
Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date : May 18, 2015
Place : Mumbai

ANNEXURE 8 TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2015

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

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

I. Registration and Other Details

i	CIN	L55101TN1996PLC036595
ii	Registration Date	20th September, 1996
iii	Name of the Company	Mahindra Holidays & Resorts India Limited
iv	Category / Sub-Category of the Company	Public Company Limited by Shares
v	Address of the Registered office and contact details	Mahindra Towers, 2nd Floor, 17/18 Patullos Road, Chennai – 600 002 Tele.: 044 3988 1000 Fax.: 044 3027 7778 E- Mail: investors@mahindaholidays.com Website : www.clubmahindra.com
vi	Whether listed company	Yes
vii	Name of Registrar and Transfer Agent	Karvy Computershare Private Limited
	Address and Contact details	Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Ph : 040 6716 2222 Fax : 040 2300 1153 Toll free no : 1800 345 4001

II. Principal Business Activities of the Company

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

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Income from sale of vacation ownership (VO)	55101	54.97
2	Annual Subscription Fee from VO members	55101	19.27
3	Income from sale of Food and Beverages	55101	10.59

III. Particulars of Holding, Subsidiary and Associate Companies -

Sl. No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Holding	75	2(45)
2.	Gables Promoters Pvt Ltd No. 504, Block A, 5th Floor, Elante Office Suites, Plot No-178-178/A, Industrial Area, Phase 1, Chandigarh – 160 001	U45209CH2012PTC033473	Subsidiary	100	2(87)
3.	Holiday on Hills Resorts Private Ltd Village Siharateh, Kandaghat, Dist. Solan, Himachal Pradesh – 173 215	U55101HP1996PTC017806	Subsidiary	100	2(87)
4.	Divine Heritage Hotels Pvt Ltd 24,25 & 26, Mahindra Towers, Durga Vihar Colony, Tonk Road, Jaipur – 302 108	U55101RJ2008PTC025734	Subsidiary	100	2(87)
5.	Mahindra Hotels And Residences India Ltd Mahindra Towers, 17/18 Patullos Road, Chennai – 600 002	U55101TN2007PLC063285	Subsidiary	100	2(87)
6.	Competent Hotels Private Limited Unit 873, 8th Floor, Aggarwal Cyber Plaza II, Plot No. C – 7, Netaji Subhash Place, Pitampura, New Delhi – 110 034.	U55101DL1986PTC114589	Subsidiary	100	2(87)

Sl. No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7.	MHR Holding (Mauritius) Ltd IFS Court, Twenty Eight Cyber City, Ebene, Mauritius.	NA	Subsidiary	100	2(87)
8.	Covington S.a.r.l 16 Avenue Pasteur, L-2310, Luxembourg, Grand Duchy of Luxembourg	NA	Subsidiary	100	2(87)
9.	Heritage Bird (M) Sdn. Bhd. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor, Malaysia.	NA	Subsidiary	100	2(87)
10.	Infinity Hospitality Group Company Ltd No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, Khwaeng Khlongtoey Nua, Khet Wattana Bangkok	NA	Subsidiary	49	2(87)
11.	MH Boutique Hospitality Limited No. 33/118-119 Wall Street Tower Building, 23rd Floor Surawongse Road, Suriyawongse Sub-District, Bangrak District, Bangkok, Thailand	NA	Subsidiary	49	2(87)
12.	Guestline Hospitality Management & Development Service Limited Saleh Centre Annexe, 1st Floor, 18/4, Cunningham Road, Bangalore – 560 052	U55101KA1994PLC015472	Associate company	49.94	2(6)
13.	Holiday Club Resorts Oy, Finalnd Hitsaajankatu 22, 00810 Helsinki	NA	Associate company	23.32	2(6)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares Held at the Beginning of the Year 01/04/2014				No. of Shares Held at the End of the Year 31/03/2015				% Change During The Year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter and Promoter Group									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	6,65,85,642	0	6,65,85,642	75.00	6,65,85,642	0	6,65,85,642	75.00	0.00
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	6,65,85,642	0	6,65,85,642	75.00	6,65,85,642	0	6,65,85,642	75.00	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	6,65,85,642	-	6,65,85,642	75.00	6,65,85,642	-	6,65,85,642	75.00	-

Category Code	Category of Shareholder	No. of Shares Held at the Beginning of the Year 01/04/2014				No. of Shares Held at the End of the Year 31/03/2015				% Change During The Year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(B)	Public Shareholding									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	14,16,346	-	14,16,346	1.60	19,81,457	-	19,81,457	2.23	-0.64
(b)	Financial Institutions /Banks	46527	-	46527	0.05	40914	-	40914	0.05	0.01
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	1,07,11,451	-	1,07,11,451	12.07	91,39,452	-	91,39,452	10.29	1.77
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	1,21,74,324	-	1,21,74,324	13.71	1,11,61,823	-	1,11,61,823	12.57	1.14
(2)	NON- INSTITUTIONS									
(a)	Bodies Corporate	28,71,078	-	28,71,078	3.23	18,08,687	-	18,08,687	2.04	1.20
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	21,07,511	14,183	21,21,694	2.39	36,24,775	14,303	36,39,078	4.10	-1.71
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	31,00,386	-	31,00,386	3.49	34,75,804	-	34,75,804	3.92	-0.42
(c)	Others									
	CLEARING MEMBERS	24,460	-	24,460	0.03	29,627	-	29,627	0.03	-0.01
	FOREIGN BODIES	8,24,565	-	8,24,565	0.93	8,24,565	-	8,24,565	0.93	-
	NON RESIDENT INDIANS	1,45,486	-	1,45,486	0.16	1,67,755	-	1,67,755	0.19	-0.03
	TRUSTS	7,56,683	-	7,56,683	0.85	7,54,605	-	7,54,605	0.85	-
	HUF	1,76,538	-	1,76,538	0.20	3,33,270	-	3,33,270	0.38	-0.18
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	1,00,06,707	14,183	1,00,20,890	11.29	1,10,19,088	14,303	1,10,33,391	12.43	-1.14
	Total B=B(1)+B(2) :	2,21,81,031	14,183	2,21,95,214	25.00	2,21,80,911	14,303	2,21,95,214	25.00	-
	Total (A+B) :	8,87,66,673	14,183	8,87,80,856	100.00	8,87,66,553	14,303	8,87,80,856	100.00	-
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	8,87,66,673	14,183	8,87,80,856	100.00	8,87,66,553	14,303	8,87,80,856	100.00	

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	MAHINDRA & MAHINDRA LIMITED	6,65,85,642	75	-	6,65,85,642	75	-	-
	TOTAL							

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	6,65,85,642	75	6,65,85,642	75
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment /transfer /bonus/sweat equity etc):	-	-	-	-
	At the end of the year	6,65,85,642	75	6,65,85,642	75

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

Slno	Date	Reason for Increase/ Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	01/04/2014	Opening Balance	Government Pension Fund Global	3100000	3.49	3100000	3.49
	30/05/2014	Sale		15000	0.02	3085000	3.47
	10/10/2014	Purchase		15000	0.02	3100000	3.49
	05/12/2014	Purchase		61000	0.07	3161000	3.56
	12/12/2014	Purchase		20000	0.02	3181000	3.58
	19/12/2014	Purchase		9000	0.01	3190000	3.59
	09/01/2015	Purchase		10000	0.01	3200000	3.60
	13/02/2015	Purchase		10000	0.01	3210000	3.62
	27/02/2015	Purchase		22000	0.02	3232000	3.64
	06/03/2015	Purchase		24032	0.03	3256032	3.67
	13/03/2015	Purchase		3968	0.00	3260000	3.67
	20/03/2015	Purchase		20027	0.02	3280027	3.69
	27/03/2015	Purchase		19973	0.02	3300000	3.72
	31/03/2015	Closing Balance			0.00	0	0.00

Sno	Date	Reason for Increase/ Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
2	01/04/2014	Opening Balance	BNP Paribas	2660029	3.00	2660029	3.00
	31/03/2015	Closing Balance	Arbitrage		0.00	2660029	3.00
3	01/04/2014	Opening Balance	Morgan Stanley	2070542	2.33	2070542	2.33
	30/09/2014	Sale	Mauritius	45086	0.05	2025456	2.28
	03/10/2014	Sale	Company Limited	20844	0.02	2004612	2.26
	17/10/2014	Sale		75860	0.09	1928752	2.17
	24/10/2014	Sale		41350	0.05	1887402	2.13
	31/10/2014	Sale		63653	0.07	1823749	2.05
	07/11/2014	Sale		77311	0.09	1746438	1.97
	14/11/2014	Sale		111397	0.13	1635041	1.84
	21/11/2014	Sale		119075	0.13	1515966	1.71
	28/11/2014	Sale		148690	0.17	1367276	1.54
	05/12/2014	Sale		306000	0.34	1061276	1.20
	12/12/2014	Sale		26005	0.03	1035271	1.17
	31/03/2015	Closing Balance				1035271	1.17
	4	01/04/2014	Opening Balance	SBI Life Insurance	1252728	1.41	1252728
18/04/2014		Sale	Co. Ltd	1931	0.00	1250797	1.41
02/05/2014		Sale		10629	0.01	1240168	1.40
09/05/2014		Sale		2052	0.00	1238116	1.39
13/06/2014		Sale		5000	0.01	1233116	1.39
11/07/2014		Sale		30220	0.03	1202896	1.35
01/08/2014		Sale		15284	0.02	1187612	1.34
08/08/2014		Sale		242	0.00	1187370	1.34
15/08/2014		Sale		22386	0.03	1164984	1.31
22/08/2014		Sale		43512	0.05	1121472	1.26
12/09/2014		Sale		40000	0.05	1081472	1.22
19/09/2014		Sale		1964	0.00	1079508	1.22
10/10/2014		Sale		20000	0.02	1059508	1.19
17/10/2014		Sale		1292	0.00	1058216	1.19
28/11/2014		Sale		31649	0.04	1026567	1.16
05/12/2014		Sale		64580	0.07	961987	1.08
12/12/2014		Sale		20000	0.02	941987	1.06
30/01/2015		Sale		6251	0.01	935736	1.05
06/02/2015		Sale		50000	0.06	885736	1.00
13/02/2015		Sale		207000	0.23	678736	0.76
31/03/2015	Closing Balance			0.00	678736	0.76	
5	01/04/2014	Opening Balance	NYLIM Jacob	1174676	1.32	1174676	1.32
	31/03/2015	Closing Balance	Ballas Asset Management Company III LLC A/C NYLIM JACOB BALLAS INDIA (FII) III LLC		0.00	1174676	1.32
6	01/04/2014	Opening Balance	NYLIM Jacob	824565	0.93	824565	0.93
	31/03/2015	Closing Balance	Ballas India Fund III, LLC		0.00	824565	0.93

Sno	Date	Reason for Increase/Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
7	01/04/2014	Opening Balance	PPFAS Long Term Value Fund	769371	0.87	769371	0.87
	06/06/2014	Sale		49695	0.06	719676	0.81
	13/06/2014	Sale		50000	0.06	669676	0.75
	30/06/2014	Sale		27378	0.03	642298	0.72
	11/07/2014	Sale		41208	0.05	601090	0.68
	12/09/2014	Sale		5000	0.01	596090	0.67
	19/09/2014	Sale		21809	0.02	574281	0.65
	09/01/2015	Sale		5000	0.01	569281	0.64
	31/03/2015	Purchase		5000	0.01	574281	0.65
	31/03/2015	Closing Balance			0.00	574281	0.65
8	01/04/2014	Opening Balance	Mahindra Holidays & Resorts India Limited Employees Stock Option Trust	756683	0.85	756683	0.85
	30/06/2014	Transfer		875	0.00	755808	0.85
	31/12/2014	Transfer		1203	0.00	754605	0.85
	31/03/2015	Closing Balance			0.00	754605	0.85
9	01/04/2014	Opening Balance	UBS Fund Management (Luxembourg) S.A. for and on Behalf of UBS (Lux) Equity Fund - Asian Consumption	745027	0.84	745027	0.84
	18/04/2014	Sale		8073	0.01	736954	0.83
	25/04/2014	Sale		6759	0.01	730195	0.82
	09/05/2014	Sale		3499	0.00	726696	0.82
	16/05/2014	Sale		12170	0.01	714526	0.80
	23/05/2014	Sale		240923	0.27	473603	0.53
	30/05/2014	Sale		7768	0.01	465835	0.52
	30/06/2014	Sale		72702	0.08	393133	0.44
	04/07/2014	Sale		925	0.00	392208	0.44
	11/07/2014	Sale		144710	0.16	247498	0.28
	25/07/2014	Sale		5098	0.01	242400	0.27
	05/09/2014	Sale		4802	0.01	237598	0.27
	12/09/2014	Sale		14894	0.02	222704	0.25
	19/09/2014	Sale		200280	0.23	22424	0.03
	19/12/2014	Sale		22424	0.03	0	0.00
31/03/2015	Closing Balance		0.00	0	0.00		
10	01/04/2014	Opening Balance	AADI Financial Advisors LLP	437072	0.49	437072	0.49
	06/02/2015	Sale		350000	0.39	87072	0.10
	13/02/2015	Sale		87072	0.10	0	0.00
	31/03/2015	Closing Balance			0.00	0	0.00
11	IN30016710088304	Opening Balance	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	0	0.00	0	0.00
	06/02/2015	Purchase		500000	0.56	500000	0.56
	13/02/2015	Purchase		118000	0.13	618000	0.70
	20/02/2015	Purchase		282000	0.32	900000	1.01
	31/03/2015	Closing Balance			0.00	900000	1.01
12	IN30343810011336	Opening Balance	SCHRODER INTERNATIONAL SELECTION FUND INDIAN OPPORTUNITIES	0	0.00	0	0.00
	20/02/2015	Purchase		118000	0.13	118000	0.13
	27/02/2015	Purchase		66289	0.07	184289	0.21
	06/03/2015	Purchase		14168	0.02	198457	0.22
	13/03/2015	Purchase		75161	0.08	273618	0.31
	20/03/2015	Purchase		45161	0.05	318779	0.36
	31/03/2015	Closing Balance				318779	0.36

(v) Shareholding of Directors and Key Managerial Personnel:

Sl no	Name of the Share Holder	No. of Shares held as on 01/04/2014	Change in Shareholding	No. of Shares Held As on 31/03/2015	% Change in Shareholding
	Directors				
1	Arun Kumar Nanda	5,94,630	1,00,000	6,94,630	16.82
2	Cyrus J. Guzder	26,700	0	26,700	0
3	Vineet Nayyar	26,700	0	26,700	0.00
4	Rohit Khattar	26,700	0	26,700	0.00
	Total	6,74,730	1,00,000	7,74,730	14.82

None of the other Directors and KMPs hold any shares in the Company

V. Indebtedness

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

(₹ in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	291.36	-	-	291.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	291.36	-	-	291.36
Change in Indebtedness during the financial year				
• Addition	349.85	-	-	349.85
• Reduction	-	-	-	-
Net Change	349.85	-	-	349.85
Indebtedness at the end of the financial year				
i) Principal Amount	641.21	-	-	641.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	641.21	-	-	641.21

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sl. no.	Particulars of Remuneration paid	Name of MD/WTD/Manager		Total Amount
		Kavinder Singh# (Managing Director & CEO)	S Krishnan* (CFO & Executive Director)	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71.76	90.89	162.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.17	0.32	0.49
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	71.93	91.21	163.14
	Ceiling as per the Act	₹1,058.41 lakh (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

For the Period November 3, 2014 to March 31, 2015.

* Mr. S Krishnan became Whole Time Director and designated as Chief Financial Officer (CFO) & Executive Director w.e.f January 22, 2015. Prior to that he was the CFO of the Company and the above amounts represent for the entire financial year 2014-15.

B. Remuneration to other directors:

(₹ in lakh)

Particulars of Remuneration paid	Name of Directors								Total Amount
	A K Nanda	Cyrus Guzder	Rohit Khattar	Sanjeev Aga	Sridar Iyengar	Radhika Shastry	V S Parthasarathy	Vineet Nayyar	
Independent Directors									
• Fee for attending board / committee meetings	-	7.20	2.10	5.75	6.05	4.00	-	-	25.10
• Commission	-	10.00	10.00	10.00	10.00	-	-	-	40.00
• Others, please specify	-	-	-	-	-	-	-	-	-
Total (1)	-	17.20	12.10	15.75	16.05	4.00	-	-	65.10
Other Non-Executive Directors									
• Fee for attending board/ committee meetings	7.20	-	-	-	-	-	-	-	7.20
• Commission	60.00	-	-	-	-	-	-	-	60.00
• Others, please specify	-	-	-	-	-	-	-	-	-
Total (2)	67.20	-	-	-	-	-	-	-	67.20
Total (B)=(1+2)	67.20	17.20	12.10	15.75	16.05	4.00	-	-	132.30
Total Managerial Remuneration (A+B)									295.44
Overall Ceiling as per the Act (A+B)	₹1,164.25 lakh (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakh)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44.85	Refer Point No. VI A	44.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - as % of profit -others, specify...	-	-	
5.	Others, please specify	-	-	
	TOTAL	44.85		44.85

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

During the year, no penalties were levied against the Company, its directors or any of its officers under the Companies Act, 2013 nor was there any punishment or compounding of offences against the Company, its directors or any of its officers.

ANNEXURE 9 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED March 31, 2015

A) Conservation of energy:

- (i) The steps taken or impact on conservation of energy:

The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

- Installation of solar heating in Resorts
- Installation of Energy efficient LED lights in the Resorts
- Installation of Energy efficient chiller and Variable refrigerator volume in resort

- (ii) The steps taken by the Company for utilizing alternate sources of energy: Solar heating

- (iii) The capital investment on energy conservation equipment: ₹ 250 lakh

(B) Technology absorption:

- (i) The efforts made towards technology absorption: The Company has not carried out any Technology absorption

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not applicable

- (a) The details of technology imported;
- (b) The year of import;
- (c) Whether the technology been fully absorbed;
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

- (iv) The expenditure incurred on Research and Development : Not applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with regard to Foreign Exchange Inflows and Outgo are given in the Notes to Accounts.

For and on behalf of the Board

A K NANDA
Chairman

Place : Mumbai

Date : May 18, 2015

ANNEXURE 10 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015**Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. **The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:**

Name	Designation	Ratio
Kavinder Singh	Managing Director & Chief Executive Officer	114:1
Krishnan S	Chief Financial Officer & Executive Director	58:1
A K Nanda	Non-Executive Chairman	25:1
Cyrus Guzder	Independent Director	4:1
Sridar Iyengar	Independent Director	4:1
Rohit Khattar	Independent Director	4:1
Sanjeev Aga	Independent Director	4:1

Name	Designation	Ratio
Radhika Shastry	Independent Director	NA
V S Parthasarathy	Non-Executive Director	NA
Vineet Nayyar	Non-Executive Director	NA

For this purpose, sitting fees paid to the Directors have not been considered as remuneration. In respect of Non-executive Chairman and Independent Directors only remuneration paid by way of Commission during the year were considered. Further, median is calculated on the Cost to the Company (CTC) of active employees as on March 31, 2015.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

For Mr. Kavinder Singh and Mr. S. Krishnan, there is no increase applicable as Mr. Kavinder Singh joined the Company during the year under review and Mr. Krishnan during the last quarter of the previous financial year. The percentage increase in remuneration of Head Legal & Company Secretary was 13%. Further, in respect of Non-Executive Chairman and Independent Directors, the individual Commission amount remain unchanged as compared to previous financial year.

3. The Percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of the employees in the financial year was around 7%. The calculation of percentage increase in Median Remuneration is done based on comparable employees. For this we have excluded employees who were not eligible for any increment.

4. The Number of permanent Employees on the rolls of the Company:

The number of on-roll employees, as mentioned in the section on 'Management Discussion and Analysis' is 3,238. Out of this, there were 2,629 permanent employees as on March 31, 2015.

5. The explanation on the relationship between average increase in remuneration and Company performance:

The Company considers following factors while recommending increase in the remuneration of its employees:

- a. Financial performance of the Company
- b. Industry Benchmarking and consideration towards cost of living adjustment/inflation
- c. Individual performance on the basis of Balanced Score Card approach.

The total compensation is a prudent mix of fixed and variable pay in the form of performance pay. The proportion of variable pay to total compensation is higher at senior level and lower at middle level.

The increase in remuneration is a function of the factors outlined above. The performance of the Company has bearing on the quantum of variable pay declared for employees across senior and middle levels.

The average increase in the remuneration of the employees during the year 2014-15 was around 8%.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

For FY 2014-2015, the Key Managerial Personnel were paid around 2.83% of the Profit After Tax (PAT).

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Market capitalization of the Company has increased from ₹2076.14 crore as of March 31, 2014 to ₹2288.77 crore as of March 31, 2015. Over the same period, the Price to Earnings Ratio moved from 21.75 to 28.71. The

Company's stock price as at March 31, 2015 has increased by 1.1% to ₹257.80 over the last public offering, i.e. IPP in April 2013 at the price of ₹255 per share.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel during the FY2014-15 is around 8%, while the average increase in the remuneration of the Key Managerial Personnel was 13%. For Mr. Kavinder Singh and Mr. S. Krishnan, there is no increase applicable as they joined the Company during the year under review and during the last quarter of the previous financial year respectively. This increment is in line with the factors outlined in point (5) above.

9. Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company:

The comparison of remuneration paid of each of the Key Managerial Personnel against the performance of the Company is as under

Designation	% of PAT for the year ended March 31, 2015
Managing Director & Chief Executive Officer (w.e.f. November 3, 2014 to March 31, 2015)	1.00%
Chief Financial Officer & Executive Director	1.24%
Head Legal & Company Secretary	0.59%

10. The key parameters for any variable component of remuneration availed by the Directors:

While no variable component of remuneration was availed by the Non-Executive Directors during the year under review, the following are the broad factors and guidelines considered for the Performance (Variable) Pay in respect of whole-time Directors:

- a. Financial outcomes and profitability of the company.
- b. Annual Performance Review based on the Company Balanced Scorecard.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable

12. It is affirmed that the remuneration is as per the remuneration policy of the Company.

Management Discussion and Analysis

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays' or 'the Company') is a leading player in the leisure hospitality industry. It has established vacation ownership in India, and is the market leader in the business. It offers holidays to its customers that are designed for the discerning and differentiated needs of families. Apart from providing quality rooms in the form of furnished apartments and cottages at resorts in unique and popular destinations, Mahindra Holidays offers its members other amenities including fun dining, holiday activities, spa and wellness facilities.

This chapter presents an overview of the markets and opportunities as well as the operational and financial performance of the Company during 2014-15. It also highlights Mahindra Holidays' strategy, and discusses important initiatives taken by the Company during the year to achieve its growth and performance objectives.

Introduction and Key Achievements

Mahindra Holidays' focus during 2014-15 was to achieve continued success in its strategic objective: ensuring that its growing member base gets the best holiday experience. During this year Company faced adverse macroeconomic environment including consumers postponing their purchase decisions. Despite this, Company's strong focus on operational performance has yielded achievement of significant milestones. The key highlights are:

- **Mahindra Holidays added 409 units to its room inventory – taking total room inventory to 2,816 units. In line with its long-term strategy for expansion, most of this increase in inventory came from greenfield/expansion projects and through an acquisition in Manali.** Currently, Mahindra Holidays offers members a choice of 45 resorts. The pace of room inventory growth and development of new destinations will continue – five greenfield projects that are in the pipeline will add over 700 units in the next few years. Key developments have been covered in greater detail in the section on 'Properties and New Projects'.
- **Mahindra Holidays added twelve thousand eight hundred members (after considering the net cancellations) to its vacation ownership business in 2014-15 – the total membership base stood at 1.83 lakh at the close of 2014-15.** This performance is creditable given the challenging macroeconomic environment and poor consumer sentiment that prevailed for most of the year, especially the first half. This required the Company to recalibrate its marketing strategy – by focusing more on better quality leads and significant efforts in brand building. These have been discussed in greater detail in the sections on 'Markets and Opportunities' and 'Business Performance'.

- **Mahindra Holidays acquired 23.32 per cent in Holiday Club Resorts Oy, Finland, a leading vacation ownership company in Europe with around 50,000 members and 30 resorts – of which 22 are in Finland, 2 in Sweden and 6 in Spain.** Mahindra Holidays also has a right to increase its ownership up to 100 percent within a period of two years. This investment allows the Company to offer member exchange opportunities and is in line with the vision to widen its international footprint – by opening up growth opportunities in Europe and other international destinations.
- **Member satisfaction continued to improve consistently during the year – both in terms of member services and the holiday experience at the resorts. These are reflected in improved Customer as Promoter (CAP) scores, higher occupancy, increase in unique member holidayed and post-holiday feedback scores.** A more exhaustive discussion on the initiatives carried out by the Company and their impact can be found in the sections on 'Member Relations' and 'Resort Operations'.
- **Information technology (IT) infrastructure continued to actively contribute to the Company's growth and performance by providing it with a competitive edge in the market.** During the year, online services for members were expanded significantly to align it with the business strategy. The Company also launched 'ProDis', an IT solution which provides real-time information on room inventory. Considerable progress was also made in the area of business analytics, analysis of lead data and customer segmentation. More on important technology-driven initiatives can be found in the section on 'Information Technology'.

Mahindra Holidays markets a high-value discretionary product. Given the fact that consumer sentiment and spending was subdued, the Company has registered creditable results. The key financial results for 2014-15 (standalone) are given below:

- Total income of the Company (including other income) grew from ₹799 crore in 2013-14 to ₹808 crore in 2014-15.
- Depreciation for the year was at ₹65 crore as against ₹38 crore last year, this increase mainly on account of change in the useful life of the asset as per schedule II of the Companies Act, 2013.
- Profit before tax (PBT) and exceptional item was at ₹127 crore in 2014-15 as compared to ₹141 crore in 2013-14. After accounting for exceptional item of ₹22 crore, PAT for the year 2014-15 was at ₹79 crore as against ₹95 crore in 2013-14.

- Diluted EPS was ₹8.98 in 2014-15, down from ₹ 10.75 in the previous year.

In the rest of this chapter, we will discuss in greater detail markets and opportunities, the operational and financial performance of the Company, initiatives in the areas of quality, CSR, sustainable development, and key functional areas such as human resources and information technology (IT). We shall end the chapter with a discussion on risks and concerns, and the outlook of the Company for the future.

Markets and Opportunities

Mahindra Holidays is a leading player in the leisure hospitality industry in India. Built on the vacation ownership model, the Company's principal business is to offer vacation ownership products that provide holiday entitlements to its members over the life of the product.

2014-15 was another challenging year for the Indian economy. Even as there was some improvement in the second half of the year—with the decline in inflation and consequent easing of monetary policy—interest rates continue to be high and there has not been a major improvement in consumer sentiment. This has constrained the ability of households to commit resources on discretionary spend categories such as holidays. It was only towards the end of the year that there was some positive movement in this regard.

The addressable market for the Company's products is urban families with a capability to incur discretionary expenditure. At a fundamental level, there has been considerable growth in the size of this market in the last 15-20 years — both in terms of people with the ability to spend and change in lifestyle and aspirations that have increased the willingness to take vacations for leisure. Long weekend holidays and extended family holidays are key emerging trends that reinforce this belief. Today, 'Holidays' is in the top of discretionary spend list for 2 out of 5 Indians.

The Indian travel and tourism industry is worth USD 36 billion or roughly 2 per cent of India's GDP. As far as the vacation ownership industry in India is concerned, the market penetration levels are still very low. If one compares the Indian vacation ownership industry with the US in terms of its share of the total hospitality sector, the scope for growth in India is around 5 times of its current size. Similarly, if one were to look at the 11.5 million households who own a car as a proxy for the addressable market, roughly one in thirty car owners has a vacation ownership membership. This clearly means that there is a significant headroom for growth of the business.

Due to lower fiscal and current account deficits, falling inflation, benign commodity prices, and structural reforms to boost investments, India's economy is poised to return to its high-growth path. RBI's monetary policy is also likely to be supportive having moved to flexible inflation targeting. The

manufacturing sector is likely to benefit from lower interest rates. Overall, these efforts are likely to boost the service sector.

Business Performance

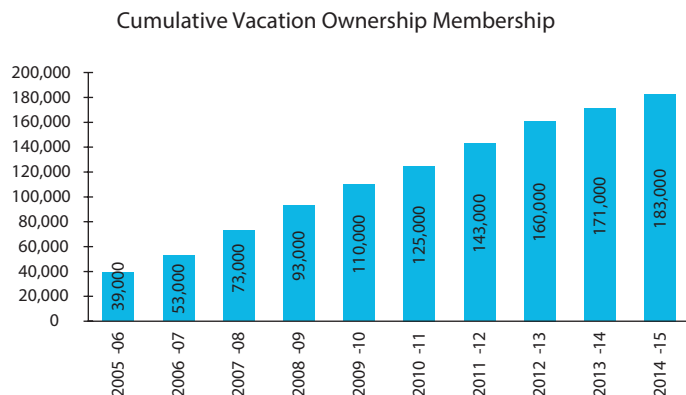
'Club Mahindra Holidays' is the Company's flagship product in the vacation ownership business, which entitles its members a week's holiday every year for a period of 10 or 25 years depending on the membership. Mahindra Holidays has recorded good growth in its membership over the last few years despite some challenging years and believes that there is a significant potential for further growth of vacation ownership business in India with economy likely to grow at a higher rate.

During 2014-15, it focused on implementing a pull-based marketing strategy to reach its target audience and generate high value leads with better conversion. This has several key elements.

- First, the Company continued with its efforts on building 'digital' visibility and engaging prospects. This included launch of two major initiatives: 'ClickPic', a contest where members upload their holiday pictures on social media and 'Teddy Travelogues', India's first travel e-magazine for and by the children. It also ran a very successful Twitter campaign during the Cricket World Cup 2015. ***These efforts have won the Company several awards and recognitions including 'Best Innovation Practice in Digital and Social Media', 'Innovation in Brand Management', 'Best Innovation Practice in Marketing and Operations', and 'Most innovative Big Data Analytic Solutions' by World Innovation Congress in 2015.***
- Second, the Company re-launched 'Happy Family Referral Programme' (HFRP), a loyalty-cum-referral programme for its members, with features that makes it more attractive for the members to engage and contribute to Company's growth. It also streamlined processes that make it simpler for members to earn and redeem benefits offered under the programme.
- To support these initiatives, the Company also carried out extensive advertising and brand-building campaigns. ***'Club Mahindra' was selected as a 'Super Brand' for the year 2014-15 by SuperBrand Council in India. It has also been listed amongst Mumbai's Hot 50 Brands by Paul Writer & Hindustan Times.***

As a result of these efforts, contribution of digital and referral leads to overall sales increased considerably during the year. The Company was also successful in expanding its sales network during the year. At the end of 2014-15, it was present in 124 locations. Its focus on international markets with sizeable Indian population also saw significant progress, with deepening of its presence in Dubai, Abu Dhabi, and Sharjah. Contribution of these markets increased during the year.

During 2014-15, the Company added around twelve thousand and eight hundred members, taking the total membership to around 1.83 lakh as on March 31, 2015. The Chart provides details of the growth in membership in the last 10 years.



The Company also markets a corporate product called 'Club Mahindra Fundays', which allows enrolled organisations to offer holiday entitlements to its employees or group vacations either as a part of their reward and recognition programme or as an employment requisite or compensation. During the year, there was a healthy increase in the number of room nights utilised under this product. The overall performance of the product in terms of new business was also satisfactory.

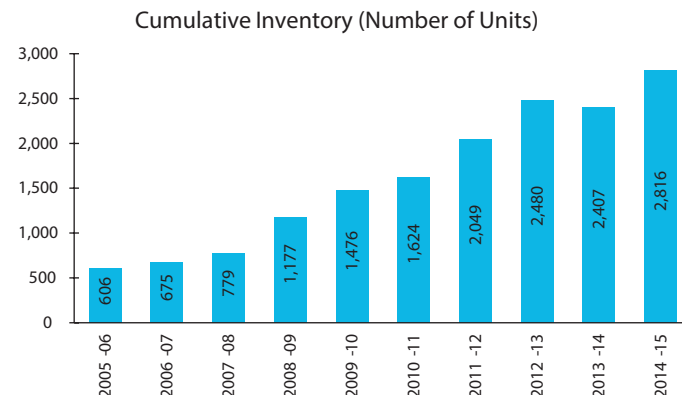
As a part of its overall strategy, the Company discontinued 'Club Mahindra Travel', which provided travel related services to its vacation ownership members, employees and other corporate clients. These services are now being provided by a third-party service provider and the transition has taken place smoothly. Travel Related Services accounted for a very small part of the Company's business and will not have a material bearing on its performance.

Properties and New Projects

Mahindra Holidays currently has a pan-India presence through its extensive network of resorts across a cross-section of destinations including hill stations, beaches, backwaters, wildlife sanctuaries, forts and heritage places. It is also present in international destinations such as Bangkok, Innsbruck (Austria), Kuala Lumpur and Dubai.

As mentioned earlier, building inventory and adding new destinations is a key strategic objective for the Company. In line with this, it added substantial room inventory during the year. **Mahindra Holidays added another 425 room units to its inventory across 8 resorts. After accounting for inventory retired, the net addition during the year was 409 units, taking the total inventory to 2,816 units – representing a 17 per cent increase in inventory over the previous year.**

The Chart provides information on growth in inventory over the last 10 years.



An important part of the Company's inventory strategy is to have resorts that are either owned or under a long lease. New greenfield developments in Kanha (Madhya Pradesh) and expansion in Virajpet (Coorg, Karnataka) contributed 154 units to the increase in inventory. In addition an acquisition of a very popular premium resort in Manali (Himachal Pradesh) contributed another 60 units. The remaining inventory came through fresh inventory arrangements in Goa, Kodaikanal (Tamil Nadu), Ganpathipule (Maharashtra), Alleppey (Kerala) and leasing of additional rooms in Udaipur (Rajasthan). Further, construction of additional rooms through a greenfield development in Munnar was completed during the year and the same would be made available to the members during the first quarter of 2015-16.

As a result, by the end of 2014-15, Mahindra Holidays offered its members a choice of 45 resorts. In line with the Company's strategy, majority of the total inventory is owned by it. Besides, Mahindra Holidays entirely manages the resorts under lease arrangements and in respect of resorts through inventory arrangements, sufficient measures have been implemented to give members best holiday experience.

Increasing room inventory in line with our membership additions will continue to be central part of our growth plans. **The Company is currently undertaking 3 greenfield projects: Naldhera (Shimla), Assanora (Goa), and Ashtamudi (Kerala), which are in different stages of planning and development. Further, expansion in Kandaghat (Shimla) and a new greenfield project at Dharamshala (Himachal Pradesh) are being considered. These will be part of our inventory addition programme of around 700 units in the next few years.**

Apart from this, it is also considering resort acquisition opportunities at popular destinations, both in India and abroad. It also has land bank at 9 destinations across 6 states. Efforts are also on to expand this further. Some of our existing resorts also have additional land that can be utilised for further expansion. This will provide the flexibility to build at these destinations and add room inventory on an ongoing basis.

Resort Operations

Efficient resort operations are central to delivering a holiday experience that meets the expectations of our members. This encompasses three key areas: infrastructure and facilities, holiday activities, and food and beverage (F&B).

Mahindra Holidays has institutionalised ‘post-holiday feedback’ across its resorts to measure its success in delivering quality holiday experience to its customers and addressing their concerns. We are happy to report that the feedback scores have shown a positive growth during the year due to focused efforts. Also, efforts are in progress to further improve the coverage of the feedback, both in terms of processes and resorts. All the new resorts which were opened up for the members during the last year have been receiving positive feedback from the members.

As a Company marketing long duration products and services to its members, Mahindra Holidays ensures that quality of infrastructure and facilities are well maintained and upgraded regularly to meet customer expectations. Significant investments were made to upgrade around 120 rooms and common areas across multiple locations. In a major initiative, spa facilities are being expanded both in terms of their offerings and resort locations. At the end of the year, 26 resorts have such facilities. This will also contribute to greater resort revenues for the Company.

The Company has a unique distinction of having 22 RCI Gold Crown, 2 RCI Platinum Award & 2 Silver crown resorts in India, which bears testimony to the high standards of resort facilities, amenities and services that our resorts offer. We have also achieved 6 Trip Advisor awards, 8 Holiday IQ awards during the year. During the year, Club Mahindra Baiguney received the ‘Best Resort Award 2014’ in the state of Sikkim from the Department of Tourism, Government of Sikkim and Club Mahindra Kodaikanal received the Best Horticulture Resort by Horticulture Department of Tamilnadu.

Holiday activities continues to be an important focus area. During the year, significant effort went into developing a contemporary ambience for the ‘Fun Zones’ in the resorts. The coverage was also expanded with the introduction of facilities such as interactive games, mazes and slides, trampolines, archery and 3-D theatres. Besides these, there are activities built around the themes of learning, adventure, relaxation and local experiences, depending on the terrain and type of holiday the destination offers. These efforts have resulted in a

continuous growth in member satisfaction and revenues from holiday activities. New Holiday Activity concept at Virajpet (like archery, electronic games etc.), are receiving excellent feedback.

In the area of F&B, efforts are continuously made to increase the variety and make the dining experience more exciting. Through ‘Gourmet Express’, a well-researched menu featuring the most sought-after food items faster and at a better value was introduced. This enhanced in-room dining experience in a hygienic, aesthetic and bio-degradable packaging has been received well by the members.

Mahindra Holidays’ resorts in Thekkady, Ashtamudi, and Cherai are certified by National Accreditation Board for Certification Bodies (“NABCB”) Branch Hygiene Code certification during the year. This certification is awarded upon meeting prescribed standards of hygiene in all activities related to F&B – from procurement of raw materials to preparation and serving it to the customers.

Member Relations

As a company that markets long-duration discretionary product, member satisfaction is the key to Mahindra Holidays’ success. Responsive and effective member relations are critical to meet the Company’s objectives in this regard. During 2014-15, the Company witnessed significant improvement in the overall member satisfaction levels. Deployment of technology and improvement in processes have played a defining role in this progress. Some of the key achievements are highlighted below.

During the year, the Company upgraded its website which has improved the peak load handling capacity. The percentage of online bookings increased to 52 per cent in 2014-15, from 45 per cent in the previous year. Online booking system has increased the efficiency of booking process – contributing to a superior member experience.

The Company serviced 15 per cent more members over previous year. *Overall, there was a 7 per cent increase in the number of unique members availing a holiday over the previous year and occupancy rate remained stable at 82 per cent.*

Another measure of success is the conversion rate of holidays once a member displays intent at any of the Company’s contact points. *During the year, 91 per cent of members who demanded a holiday ended up holidaying with us at least once, up from 85 per cent in the previous year.* This is significant given the wide choice of resorts and seasons that are available to the members and augurs well for the long-term satisfaction of our members.

During the year under review, the Company achieved significant success in member on-boarding process and accordingly, the service levels in making the first contact reached 100 per cent. *Also, the Company reaches out proactively to assist new members book their first holidays. The percentage of*

new members, who took their first holiday during the year improved from 52 per cent to 60 per cent.

The Company has institutionalised feedback generation mechanism to continuously improve its internal processes. During 2014-15, there has been a steady increase in the loyalty scores based on feedback received through both the Company's internal feedback generation mechanisms as well as external surveys. Overall member complaints have come down over the year. At the same time, the substantial increase in referrals from members and appreciation in social media is testimony to the improvement in member satisfaction levels.

Human Resources (HR)

Mahindra Holidays is a leading player in the vacation ownership industry in India. Given the highly specialised nature of the business and the large number of locations where we operate, attracting and nurturing the right talent is at the core of the Company's strategy for success and growth. Accordingly, the HR function at Mahindra Holidays is organised into three key areas: customer acquisition, resort operations and corporate functions (including learning and development).

During the year, the Company successfully inducted people to meet the needs of the growing business both from outside as well as through talent management and capability development initiatives aimed at development of existing employees. At the same time, focus was on optimising the human resource base of the Company, keeping in mind the market dynamics and the competitive environment in which the Company operates. The key developments are discussed below.

In the area of customer acquisition, the Company has an established 'Club Mahindra One Sales Process' which requires all sales and marketing personnel to go through an intensive training and certification programme. During 2014-15, the Company strengthened it further by adding various modules to reflect the changes in the environment such as deployment of 'SellSmart' and sources of lead generation. The coverage of these training programmes is 100 per cent of eligible executives.

In the area of resort operations, the Company continues to carry out talent development programmes such as Club Mahindra Executive Trainee (CMET), certification from American Hotel and Lodging Educational Institute (AHLEI) for resort operations and skill development programmes for specific functions such as front office and housekeeping. In the area of F&B, the executive training programme 'Sous Chef Live' continues to be a success. These programmes have been extremely successful and contributed significantly to the staffing of our new resorts in the last few years.

On the corporate and organisational development front, the Company regularly nominates executives to participate in development programmes and workshops to enhance their skills. Specific activities and programmes are undertaken to

align the employees with the culture and business goals of the organisation. During the year, Mahindra Holidays had the highest employee engagement score within the Mahindra Group.

Overall, each employee received an average of 7.5 man days of training during the year. Going forward, focus will be on increasing the coverage of executive training to cover all consumer facing roles within the Company. As on March 31, 2015, there were 3,238 people on the rolls of the Company. Industrial and employee relations remained cordial throughout the year.

Quality

Mahindra Holidays has adopted the principles of Total Quality Management (TQM) under the banner of 'The Mahindra Way' (TMW) – the Mahindra Group's integrated approach to promote excellence in all spheres of its operations. Some of the key developments during the year are discussed below.

The Company has successfully institutionalised quality systems in all critical business functions. During the year, it witnessed a focussed approach to TMW with participation from all functions and sections of employees. Two processes – employee involvement & development and member relations – moved-up from Level 3 to Level 4 in their quality journey. The remaining processes stabilised at Level 3. Going forward, we are looking to integrate the Projects Department and some of the Company's support functions into the TMW framework.

During the year, participation increased significantly with all functions undertaking process improvement projects embracing principles of TQM, Kaizen and Daily Work Management (DWM). The Kaizen movement has been institutionalised by adding it to the Key Related Areas of the employees and is now tracked on a monthly basis. A reward and recognition scheme was also rolled out to encourage further participation, and the best projects are displayed for understanding and horizontal deployment by team members across different locations. The number of Kaizen projects across the Company crossed 1,000, which is a significant landmark. The DWM and plan-do-check-act (PDCA) cycle approach has helped Member Relations function to reduce complaints and improve customer satisfaction.

The skills of the Business Excellence (BE) team, which is responsible for in-house training & development of employees, was enhanced by conducting specialised program in quality tools such as 7QC Tools and Kano Model. As mentioned in our previous report, Failure Mode and Effects Analysis (FMEA) tools were further deployed for proactive identification of gaps and suitable preventive actions.

The standardisation process across the Company was further enhanced by review of Standard Operating Procedures (SOPs) in resorts, which was done by a cross-functional team of resort and functional managers. Visual SOPs continues to be a focus area, and saw implementation for critical processes

at resorts. The member relations and customer acquisition processes have also identified new SOPs based on business needs. Support functions such as administration and security received an ISO 9001-2008 certification in November 2014, which has helped in streamlining the processes and create SOPs.

Audits are an integral part of process improvements. DWM and ISO audits are being conducted regularly, and with increased focus on internal audits, the frequency and coverage has increased significantly. During the year, the BE team created a centralised dashboard and increased the participation of resorts from 22 to 42. This dashboard has helped the resort managers to take preventive and corrective action based on factual data. A monthly dashboard is also published for the resort top management for their review and necessary actions.

Information Technology (IT)

Mahindra Holidays’ believes that technology today plays an active role in providing a competitive edge in the market and contributes directly to meeting business goals. Over the last few years, the Company has invested significant resources in large-scale upgradation of its IT architecture and is actively benefiting from these investments in all key spheres of its operations – be it customer acquisition, resort operations or member services. **It was recognized by CIO Review magazine as ‘Company of the Year – Hospitality Companies of the Year 2014’.**

The Company has a SAP based property management system and finance module for its existing resorts, including resorts launched during the year. As a result, the inventory information flows in real-time, which has significantly improved the utilisation of assets. Today, most operating locations and offices of the Company are connected to its ERP – exchanging real-time information and benefiting from an integrated IT infrastructure.

During the year, the Company implemented an in-house solution called ‘ProDis’ to provide real time information on inventory. This features dynamic pricing based on available inventory and rates offered in the market. This has contributed to the highest ever lean period occupancy in last 3-4 years. **The Company won two prestigious awards for the successful implementation of ProDis: Innovation Award at the CIO100 Forum in 2014 and Innovation Award at Mahindra & Mahindra Group IT Connect 2015.**

The Company also made considerable progress in the area of business analytics during the year. It implemented a solution for analysis of lead data, customer segmentation analytics for better targeting; MIS and dashboards for customised reports and automated reports for key functions such as Member Relations, Marketing and Finance. **Mahindra Holidays won the award in “Best Use of Customer and Data Analytics in a Loyalty Program” at the 8th Loyalty Awards presented by AIMI.**

Taking into account the move of the Company from a 6 months to a 4 months booking window, website of the Company was optimised to yield better speed. Currently, over 67 per cent of our members access the website for information or bookings. Another area where the Company made progress was online payments. All payments can be now made securely online, including redemption of loyalty points under the ‘Happy Family Referral Programme’ (HFRP). Currently, 57 per cent of all payments happen online. A series of other online features were also implemented during the year. This include ‘QuickBook’, which allows booking in a few clicks; implementation of booking waitlists; HFRP lead generation; and customised offers for members.

During the year, the Company achieved considerable success in strengthening its controls in areas of finance, procurement and material management at resorts. This included redefining processes, introducing checks and balances, improving access controls and carrying out security audits to measure their effectiveness. It also worked to economise on operations by rationalising the partner/vendor ecosystem, in-house development and shifting towards open source platforms.

Corporate Social Responsibility (CSR)

As a part of the Mahindra Group, your Company has been at the forefront of taking affirmative action as a responsible organisation that seeks to contribute to the socio-economic well-being and development of the communities and the ecosystem that it interacts with in carrying out its business. In the past, Mahindra Holidays has been voluntarily committing one (1) per cent of its profits to CSR activities. From April 1, 2014, it pledges at least two (2) per cent of the average net profits made during the three immediately preceding financial years towards CSR efforts and initiatives. It has also set-up implementation mechanisms mandated by the Companies Act, 2013.

Apart from working with NGOs, foundations and trusts, and contributing resources for socially relevant projects, the Company also encourages community service by its employees by involving them in the implementation of these CSR activities through its ‘Employee Social Options Programme’. **During the year, employees volunteered 5309 man hours on CSR initiatives.** Some of the key CSR initiatives undertaken by the Company during 2014-15 are discussed below:

- Education, Skill Development and Livelihood:** The Company sponsored the education of 5,009 girls through the “Nanhi Kali” project. It conducted need assessment and adopted rural schools and anganwadis, renovated their infrastructure and strengthened basic amenities at several of its resort locations. Other than these, educational material and amenities are regularly provided to underprivileged students and schools. At Coorg, it donated school stationery to six government

schools and also provided funds to the opportunity section of Kodagu Valley School for differently abled students. Another important initiative of the Company is supporting skill development and generating livelihood opportunities through self-help groups (SHGs). During the year, it supported 8 SHGs of women across six resort locations in diverse areas such as handloom, sewing/ tailoring and goat farming.

- Environment:** Over 41,000 trees were planted across 33 locations during the year as a part of 'Mahindra Hariyali' – an initiative of Mahindra Group for tree plantation – taking the total trees planted to 2,18,525 since the beginning of the project in 2010-11. The Company responded with great resolve to the 'Swachh Bharat Abhiyaan' of the government, and almost all resort locations carried out cleanliness drives in their vicinity. In Puducherry, it worked with the municipal authorities to conduct need assessment, and the cleaning drive was followed by distribution of dustbins in the nearby village to address the problem of waste management. Awareness programmes are regularly carried out to sensitise the local communities on environmental issues and promoting green practices.
- Health and Community Welfare:** The Company regularly carries out blood donation and medical check-up camps, awareness sessions in the areas of health, natural remedies, and HIV/AIDS to benefit the local communities in which it operates. Several such activities were carried out across most of the Company's resorts. In Gangtok, water filters were installed in a village to provide access to safe drinking water. In the area of community welfare, it engaged with several children homes and old-age homes, and provided basic amenities and infrastructural support such as water heaters, refrigerators, blankets and bedsheets. In other instances, resorts provided relief for natural calamities and created awareness for social issues such as human rights and women empowerment.

Sustainability

Sustainable development aims at achieving economic growth and improvements in well-being while preserving the natural resources and ecosystem for future generations. As a part of the Mahindra Group, the Company recognises the importance of sustainability, and is committed to conserve the ecological integrity of its locations through responsible business practices, accountability and transparency.

Mahindra Holidays' initiatives in this sphere are carried out in line with a 'Sustainability Roadmap', which identifies the key areas of focus and parameters that are monitored to measure the progress of the Company in its sustainability journey. During the year, the Company drew a fresh three year roadmap that encompasses all key functions and departments. Some

of the key areas that have been identified for implementing sustainable practices include conservation of biodiversity, environment, energy and water, sourcing and community development.

During the year, significant number of activities were carried out across resort locations in these areas. These include use of solar power; environment-friendly energy and water saving equipment; timers and motion sensors for lighting of pathways and common areas; eco-friendly bio-block sewage treatment plants and organic waste pulveriser for wet garbage disposal. Awareness drives were conducted for the employees at resorts about climate change, environment and biodiversity. Training programmes for segregation of waste were successfully implemented at several resort locations.

The Company actively participates in the Mahindra Group's journey for Corporate Sustainability Reporting. The 'Sustainability Report' of the Group is prepared in accordance with the internationally accepted framework specified by the Global Reporting Initiative (GRI). This framework sets out the principles and indicators that should be used to measure and report economic, environmental, and social performance. During 2014-15, the number of resorts that participated in sustainability reporting of the Group increased from 7 to 12.

Financials

Table 1: Financial Information – Standalone & Consolidated

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Operating Income	794.85	777.52	811.88	816.37
Other Income	12.71	21.41	17.76	13.93
Total Income	807.56	798.93	829.64	830.30
Operating & Other Expenses	615.05	618.51	631.52	656.16
Financial Expenses	0.25	0.97	2.58	1.08
Depreciation	65.41	38.03	66.35	39.36
Total Expenditure	680.71	657.51	700.45	696.60
Profit before exceptional item and tax	126.84	141.42	129.19	133.70
Exceptional Item	21.88	-	21.88	-
PAT before Tax	104.96	94.53	107.31	133.70
Provision for Tax (Current Tax and Deferred Tax (Net))	25.94	-	27.04	46.91
PAT	79.02	94.53	80.27	86.79
Share of Profit of Associate	-	-	0.65	-
Minority Interest	-	-	0.30	0.24

(₹ Crore)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Profit for the year	79.02	94.53	81.22	87.03
Diluted EPS (₹)	8.98	10.75	9.23	9.90
Fixed Assets	867.61	757.77	1007.77	926.20
Cash & Marketable Securities	26.19	51.33	31.63	60.99
Total Debt	6.41	2.91	123.79	2.97

Here are the key highlights of the financial performance of the Company as a standalone entity:

- Total standalone income, which includes both operating and other income, grew from ₹799 crore in 2013-14 to ₹808 crore in 2014-15 primarily on account of increase in ASF income and income from resort operations compensating the reduction in non-operating income, income from TRS business and income from the sale of vacation ownership.
- Increase in repairs & maintenance, power & fuel, expenditure on corporate social responsibility and other miscellaneous items were offset on savings on account of reduction in sales & marketing expenses resulting in a marginal net decline in operating and other expenses from ₹619 crore in 2013-14 to ₹615 crore in 2014-15.
- Depreciation grew by ₹27.4 crore from ₹38 crore in 2013-14 to ₹65.4 crore in 2014-15. The increase is primarily on account of provisioning for change in the useful life of the assets as per Schedule II of the Companies Act, 2013.
- Profit after tax (PAT) before exceptional items remained steady at ₹93.5 crore in 2014-15 as compared to ₹94.5 crore in the previous year, despite increase in depreciation by ₹27.4 crore over the previous year.
- Exceptional Item represents a net debit of ₹21.88 crore (pre-tax), written-off consequent to adjustments relating to past periods, made to the balances carried forward under Receivables as at the year end, in the Deferred Service Tax Account, Deferred Interest Account and other accounts, aggregating to ₹73.74 crore (debit) and the Deferred Entitlement Fee Account amounting to ₹51.86 crore (credit). These adjustments are arising from the reconciliation exercise carried out by the Company of these accounts necessitated, inter-alia, due to the migration of the underlying data to the ERP system implemented in the previous financial years and Management's decision to recognize the entitlement fee commencing from the year of admission of each member as against from the year of entitlement.
- PAT after exceptional items declined from ₹94.5 crore in 2013-14 to ₹79 crore in 2014-15. Diluted EPS was ₹8.98 in 2014-15, down from ₹ 10.75 in the previous year.

- The above numbers includes the financial information of erstwhile Bell Tower Resorts Private Limited, a wholly owned subsidiary of the Company, which got amalgamated with the Company with effect from July 31, 2014 and hence, are not comparable with the corresponding previous year.

At standalone basis, Mahindra Holidays continues to be a zero long-term debt company. The liquidity situation of the Company remained comfortable during the year.

As a consolidated entity, your Company's total income (including other income) remained unchanged at ₹ 830 crore in 2014-15 and the consolidated PAT was ₹81 crore as against ₹87 crore in 2013-14 and the Diluted EPS was ₹9.23 (₹9.90 previous year). Consolidated debt was at ₹ 124 crore as against ₹3 crore mainly on account of foreign currency loans raised by overseas subsidiaries of the Company at Mauritius and Luxembourg for the investment made in Holiday Club Resorts Oy, Finland.

Internal Controls

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency. During the year under review, the Company engaged a reputed firm specialising in internal control implementation to carry out a study of the existing controls (manual / system) and to further strengthen controls over financial reporting and non-financial key processes.

The Company has appointed an Internal Auditor who oversees the entire internal audit function. However, given the size of its operations in terms of number of resort locations and nature of its business and services, it also uses independent audit firms to conduct periodic internal audits in line with an audit plan that is drawn at the beginning of the year. This audit plan, prepared by the Internal Auditor, is approved by the Audit Committee and the Board of Directors. The scope of the exercise includes ensuring adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. Internal Auditor also reports on the implementation of their recommendations.

The Company's ERP system has appropriate controls embedded in its processes and systems, to reduce the need and reliance on compensating manual controls.

Reports of the Internal Auditors are placed before the Audit Committee of the Board of Directors, which reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

Threats, Risks and Concerns

Mahindra Holidays' risk management framework mainly consists of identification of risks, assessment of their nature,

severity and potential impact, and measures to mitigate them. This framework is in place for adequate and timely reporting and monitoring. Risks are reviewed periodically and updated to reflect the business environment and change in the size and scope of the Company's operations.

Macroeconomic Risks

The macroeconomic and policy environment in India registered marginal improvement during the latter half of the year. The RBI eased the monetary policy after a broad-based decline in consumer price inflation starting September 2014. Even as these are good signs, there are still downside risks in the form of reversal in global commodity prices and poor monsoons. Also, the easing of monetary policy continues to be circumspect and interest rates are still high.

The Company recognises these risks and has initiated measures to minimise their impact. This includes focusing on pull-based strategy for customer acquisition, more focussed digital marketing in line with the current trend, and expanding the addressable market beyond domestic boundaries. Other initiatives include renewed focus on marketing vacation ownership product through corporate channels and through referral programmes.

Operational Risks

Operational risks mainly relate to meeting customer expectations in terms of quality of service and maintaining a balance between the room inventory of resorts and growth of customers. These assume significance given the long service duration of the key products. There could be occasions where the first choice of holiday requested by the customer may not be available, which may result in dissatisfaction. Another operational risk is in the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry with unique characteristics. Further, some of the Company's resorts are located in remote areas and natural calamities such as earthquake, flood, landslide etc. may affect the accessibility of the resort to the members and also affect the online connectivity at resorts.

The Company has invested significant resources in systems and processes to ensure quality of service and overall experience of the customers to mitigate these risks. As noted earlier, customer satisfaction continues to be favourable. Regarding room inventory, the Company will continue to be judicious in the use of different options – fresh developments, expansions, leases and inventory arrangements – to meet the expectation of our customers and at the same time maintain a balance between the demand and supply. As far as talent management and retention is concerned, the management believes that its human resource practices enhance employee engagement and satisfaction.

Financial Risks

The Company's business involves significant investments in building resorts for its operations. Hence, it is exposed to

risks in terms of timely and adequate availability of funds at competitive rates to finance its growth. Besides, the Company offers its customers schemes to finance the purchase of the vacation ownership and similar products, which exposes it to credit risks. Another financial risk that the Company is exposed to is potential non-payment or delayed payment of membership instalments / Annual Subscription Fee by members resulting in higher outstanding receivables.

Currently, Mahindra Holidays is a zero long-term debt company on standalone basis, and has a strong and stable capital structure to raise capital for further expansion, if necessary. The Company undertakes comprehensive assessment of the profile of its customers and carefully monitors its exposure to credit risk. The Company has implemented several improvements in control mechanisms across functions for better efficiency and reducing risks of potential leakages. Better monitoring systems have also been put in place to aid the management in this process.

Regulatory and Legal Risks

Mahindra Holidays is exposed to regulatory and legal risks. These include cumbersome processes and risks relating to land acquisition, conversion of land for commercial usage and development of properties, environmental clearances, approval and activities related to development of new resorts. There are also other regulatory and legal risks pertaining to tax proceedings, legal proceedings on properties, customer complaints, non-compliance of regulations including environmental regulations and those pertaining to the hospitality sector. Further, as the Company has investment and operations in different countries, it is also exposed to political and regulatory risks that emanate from its international presence.

The Company recognises that regulatory requirements can at times be challenging, and therefore will strive to understand the change in regulatory standards, so as to strengthen its decision making processes and integrate this in the business strategy of each of the Company's business functions and locations where it operates. Further, the Company has systems and controls in place to mitigate Regulatory and Legal risks by driving the business performance through the convergence of risk, compliance processes and control mechanisms. This would minimise the instances of non-compliance and ensure continued operational effectiveness.

Outlook

Global economic environment, especially in the US, saw positive developments during the year. In India too, the situation improved as the year progressed. The second half of 2014-15 saw a broad-based decline in inflation, which has resulted in a favourable change in the monetary policy stance of the RBI. On the fiscal policy front, there have been encouraging developments, which augurs well for a more substantive turnaround of the economy in the next year or



so. This will contribute to improvement in the consumer confidence, which is important for the products and services marketed by the Company.

During the year, Mahindra Holidays performed creditably in a business environment that was challenging. It recalibrated its strategy to generate 'pull' for its products & services, and at the same time focused on adding room inventory and optimising operations. Our success is reflected in the comfortable inventory position and consistent improvements in member satisfaction levels. This provides us with an unmatched opportunity in a growing economy, as was visible in our performance towards the end of 2014-15.

The Company believes that 2015-16 will be a much better year for the Indian economy. It also believes that vacation ownership business has a significant room for growth, and that Mahindra Holidays is well placed to leverage this opportunity. Therefore, the outlook for the next year is optimistic.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include poor macroeconomic growth and consumer confidence, inability to add resorts and increase the inventory of rooms, cyclical demand and pricing in the Company's principal markets, changes in tastes and preferences, government regulations, tax regimes, economic development within India and other incidental factors.

Corporate Governance Report

Corporate Governance Philosophy

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays' or 'the Company') is committed to sound corporate governance practices. This has been integral to the way the Company conducts its business since its inception. Our corporate governance framework is a reflection of our culture, our policies, our relationship with stakeholders and customers and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

The Company's corporate governance philosophy is built around the values of transparency, professionalism and accountability. Effective corporate governance is the manifestation of professional beliefs and values, which configures the organisational values, credo, and actions of its employees. Accordingly, the Company has also put in place appropriate systems and procedures for reporting, monitoring and control, which ensure a balance of accountability between the Directors and the Management.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The SEBI, amended the listing agreement effective October 1, 2014, to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosure and protection of investor rights, including equitable treatment for minority and foreign shareholders. The amended norms are aligned with the provisions of the Companies Act, 2013 ("the Act") and are meant to encourage companies to "adopt best practices on corporate governance". The Company remains fully compliant with the revised norms of the Listing Agreements and the provisions of the Act as on March 31, 2015.

Board of Directors

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders interest. The composition of the Board is in conformity with Clause 49 of the Listing Agreement and also the provisions of the Act. The Chairman of the Board is a Non-Executive Director and half of the Board comprises Independent Directors. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met.

The Independent Directors have the requisite qualifications and experience in general corporate management, finance, hospitality, telecom, financial services, vacation ownership, and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors, while participating in its decision making process.

During the year under review, the Board appointed Mr. V. S. Parthasarathy, and Ms. Radhika Shastry as Additional Directors on the Board of the Company with effect from August 27, 2014, and subsequently their appointments as Director and Independent Director respectively were approved by the shareholders through a postal ballot. Mr. V.S. Parthasarathy, who is Group CFO, CIO and President (Group - Finance & M&A), of Mahindra & Mahindra Ltd. (Holding Company) is a Non-Executive Director, liable to retire by rotation. Ms. Radhika Shastry was appointed as Independent Director, not liable to retire by rotation, and her appointment is for a period of 5 years from December 26, 2014. Consequent to appointment of Ms. Shastry, your Company is in compliance under the provisions of the Act with regard to appointment of one woman Director on the Board of the Company.

Mr. Uday Y. Phadke, Non-Executive Director, resigned from the services of the Company with effect from the conclusion of 18th Annual General Meeting of the Company (18th AGM) held on August 27, 2014. In line with the provisions of the Act, in the said 18th AGM, Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sridar Iyengar and Mr. Sanjeev Aga were appointed as Independent Directors, not liable to retire by rotation, for a period of 5 years from August 27, 2014.

During the year under review, the Board of Directors, at their meeting held on September 29, 2014 had filled up the vacancy caused by resignation of erstwhile Managing Director & CEO from the closure of business hour on March 31, 2014 by appointing Mr. Kavinder Singh as the Managing Director & CEO. Mr. Kavinder Singh joined the Company with effect from November 3, 2014. Subsequently, shareholders approved the appointment of Mr. Kavinder Singh as Managing Director & CEO for a period of 5 years from November 3, 2014 and also approved the remuneration payable to him for a period of 3 years.

During the year under review, the Board on January 22, 2015 had appointed Mr. S. Krishnan, Chief Financial Officer of the Company, as Additional Director and Whole Time Director designated as Chief Financial Officer & Executive Director for a period of 3 years from January 22, 2015, subject to approval of the shareholders.

Mr. A. K. Nanda, Non-Executive Chairman of the Company was on the Board of Holding Company as Non-Executive Non Independent Director till August 8, 2014. Mr. V.S. Parthasarathy, Non-Executive Director of the Company is a Key Managerial Personnel (KMP) of your Holding Company, and draws remuneration from it. Mr. Vineet Nayyar, Non-Executive Director of the Company is in the whole-time employment of an Associate company of your Holding Company, Tech Mahindra Limited and draws remuneration from it.

Apart from the above, and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Non-Executive Directors, Managing Director & CEO and Chief Financial Officer & Executive Director would be entitled to under the Act, none of the Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its subsidiaries and associate companies which in their judgement would affect their independence. None of the Directors of the Company are inter se related to each other.

All the Directors and the Senior Management have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

Composition of the Board

During the year under review, as referred earlier in this report, Mr. Uday Y. Phadke ceased to be a Director of the

Company. Further, Mr. V. S. Parthasarathy, Ms. Radhika Shastry, Mr. Kavinder Singh and Mr. S. Krishnan were appointed as Directors of the Company.

As on March 31, 2015, the Board comprised of ten Directors. The names and categories of Directors, the number of Directorships and Committee positions held by them in companies at the end of the year under review, are given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors. Further, none of the Independent Directors on the Board is a Director in more than 7 listed companies. In addition, none of the Whole Time Directors of the Company and a Director who is also the whole-time director in listed company, are not independent directors in more than three listed companies.

The Company had issued the formal letter of appointment to all the Independent Directors as prescribed under the provisions of the Act and the terms and conditions of appointment has been uploaded under the Company's website.

Composition of the Board, and Directorships held as on March 31, 2015 are give below:

Directors	Category	As on March 31, 2015*			
		Indian Listed Companies	Total Directorship#	Committee Memberships^	Committee Chairmanships^
Mr. A K Nanda	Non-Executive Chairman	2	5	2	2
Mr. Vineet Nayyar	Non-Executive Director	3	5	1	Nil
Mr. Cyrus J Guzder	Independent Director	2	3	3	2
Mr. Rohit Khattar	Independent Director	1	4	1	Nil
Mr. Sridar Iyengar	Independent Director	2	5	2	1
Mr. Sanjeev Aga	Independent Director	4	6	7	2
Mr. V. S. Parthasarathy	Non-Executive Director	2	6	5	1
Ms. Radhika Shastry	Independent Director	1	1	Nil	Nil
Mr. Kavinder Singh	Managing Director & Chief Executive Officer	1	1	1	Nil
Mr. S. Krishnan	Chief Financial Officer & Executive Director	1	1	Nil	Nil

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act.

^ Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Mahindra Holidays & Resorts India Limited ("MHRIL").

Excludes Alternate Directorships but includes Additional Directorships and Directorship in MHRIL.

Board Meetings and Attendance

Eight Board Meetings were held during the financial year April 1, 2014 to March 31, 2015 on: May 6, 2014, May 20, 2014, July 28, 2014, August 27, 2014, September 29, 2014, October 30, 2014, January 22, 2015 and February 17, 2015. The gap between two Meetings did not exceed four months. These Meetings were well attended including attendance of the Independent Directors. The Eighteenth Annual General Meeting (AGM) of the Company was held on August 27, 2014. The Chairman of the Audit Committee was present at the AGM.

Details of attendance at the Board Meeting/last AGM:

Directors	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Mr. A K Nanda	8	8	Y
Mr. Uday Y. Phadke#	4	4	Y
Mr. Vineet Nayyar	8	2*	Y
Mr. Cyrus J Guzder	8	7	Y
Mr. Rohit Khattar	8	2*	Y
Mr. Sridar Iyengar	8	6	Y
Mr. Sanjeev Aga	8	8	Y
Mr. V. S. Parthasarathy^	4	3*	N.A.
Ms. Radhika Shastri^	4	4	N.A.
Mr. Kavinder Singh~	2	2	N.A.
Mr. S. Krishnan@	1	1	N.A.

* In addition, Mr. Vineet Nayyar (3 meetings), Mr. Rohit Khattar (2 meetings) and Mr. V S Parthasarathy (1 meeting) participated in Board Meetings through telephone/video conference call.

Resigned from the services of the Company from the conclusion of 18th AGM held on August 27, 2014.

^ Appointed on the Board of the Company from August 27, 2014.

~ Appointed on the Board of the Company from November 3, 2014.

@ Appointed on the Board of the Company from January 22, 2015.

Board Procedure

A detailed agenda and notes thereon are sent to each Director in advance of Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focussed discussions at the meeting. Where it is not practicable to attach any documents of the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. To enable the Board to discharge its responsibilities effectively, the Board was appraised at every meeting on the overall performance of the Company. A detailed functional report and quarterly compliance report are also presented at the Board Meetings.

The Board reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any.

The items/matters required to be placed before the Board inter alia include:

- Annual operating plans of businesses and budgets including capital budgets and any updates
- Quarterly results/half yearly/ annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Minutes of meetings of the Audit Committee and other Committees of the Board
- Review of major cases, show cause, demand, prosecution notices and penalty notices, which are materially important, if any and any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company. Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- major accounting provisions and write-offs,
- Related Party Transactions including loans & advances to subsidiaries/Associates/Joint Ventures and statement of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies
- Quarterly details of foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material

- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others
- Appointment, remuneration and resignation of Directors
- Appointment or removal of the Key Managerial Personnel
- Appointment of Internal Auditors and Secretarial Auditors and recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Formation/reconstitution and Terms of reference of Board Committees
- Minutes of Board meetings of unlisted subsidiary companies
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Annual Secretarial Audit reports submitted by Secretarial Auditors
- Dividend declaration
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made
- Significant changes in accounting policies and internal controls
- Takeover of a company or acquisition of a controlling or substantial stake in another company and proposals for major investments, mergers, amalgamations and reconstructions
- Status of business risk exposures, its management and related action plans
- Making of loans and investment of surplus funds and borrowing of monies, giving guarantees or providing security in respect of loans
- Brief on statutory developments, changes in government policies, among others with impact thereof, Directors' responsibilities arising out of any such developments
- Compliance Certificate certifying compliance with all laws as applicable to the Company
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalises the agenda for Board meetings.

Directors seeking Re-Appointment/ Appointment

Mr. Vineet Nayyar, Director, being longest in the office, retire by rotation at the forthcoming Annual General Meeting. Mr. Nayyar being eligible, has offered himself for re-appointment.

Mr. S. Krishnan, was appointed by the Board of Directors as an Additional Director of the Company with effect from January 22, 2015. Mr. S. Krishnan, subject to approval of the shareholders, has also been appointed as Whole Time Director on the Board of the Company for the period of three years with effect from January 22, 2015 and designated as Chief Financial Officer & Executive Director. Mr S. Krishnan holds office upto the date of ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Act. The Company has received a Notice in writing from a Member, along with requisite deposit, under Section 160 of the Act proposing Mr. S. Krishnan as a candidate for the office of Director of the Company.

Brief resumes of Directors seeking re-appointment/ appointment are given below.

Mr. Vineet Nayyar

Mr. Vineet Nayyar is an accomplished leader who has led several organizations, Creating high performance teams and successful businesses across industries. In a career spanning over 40 years, Mr. Nayyar has worked with the Government of India, international multilateral agencies and in the corporate sector (both public and private).

He started his career with the Indian Administrative Service and held a series of senior positions, including that of a District Magistrate, Secretary - Agriculture & Rural Development for the Government of Haryana and Director, Department of Economic Affairs, Government of India. He also worked with the World Bank for over 10 years in a series of senior assignments, including successive terms as the Chief for the Energy, Infrastructure and the Finance Divisions for East Asia and Pacific.

Mr. Nayyar was also the founding Chairman and Managing Director of the state-owned Gas Authority of India and has served as the Managing Director of HCL Corporation Ltd., and as the Vice Chairman of HCL Technologies Ltd. He was also a co-founder and Chief Executive Officer of HCL Perot Systems. He received a master's degree in development economics from Williams College, Massachusetts.

In addition to his responsibilities at Tech Mahindra, Mr. Nayyar principal directorships include his serving as a director on the Boards of Tech Mahindra Limited, Tech Mahindra (Americas) Inc., Tech Mahindra GmbH, Tech Mahindra Foundation, Mahindra United World College of India, The Great Eastern Shipping Company Limited, Greatship (India) Ltd, Vidya Investments Private Limited, Vidya Education Investment Private Limited, Maurya Education Company Private Limited, Comviva Technologies Ltd., and TML Benefit Trust.

He serves as Chairman of Supervisory Board of Tech Mahindra GmbH. He is also a trustee of Vidya Education Foundation, Cathedral Vidya Trust and Mahindra Education Foundation.

Mr. Nayyar was awarded the Ernst and Young 'Entrepreneur of the year [Manager]' for the year 2013.

Mr. Nayyar is a member of the following Board Committees:

Name of the Company	Name of the Committee	Position Held
Tech Mahindra Limited	Stakeholders Relationship Committee	Member
	Corporate Social Responsibility Committee	Chairman
	Investment Committee	Member
	Executive Committee	Chairman
	Securities Allotment Committee	Chairman
Mahindra Holidays & Resorts India Limited	Nomination and Remuneration Committee	Member
Greatship (India) Limited	Remuneration Committee	Chairman

Mr. Vineet Nayyar holds 26,700 Equity Shares in the Company.

Mr. S Krishnan

Mr. S Krishnan (Vasant) is a member of the Institute of Chartered Accountants of India, an Associate Member of the Institute of Company Secretaries of India and also holds a Diploma in Business Finance from the Institute of Chartered Financial Analysts of India

In a career spanning 25 years, of which nearly 15 years has been with the Mahindra Group, he has held various leadership positions with the Group. Prior to this assignment with the Company, Mr. Krishnan was the Chief Financial Officer ("CFO") of the erstwhile Mahindra Satyam and was part of the top management team that turned around the Company. He held the position from 2011 till it was merged with Tech Mahindra Limited.

In an earlier stint with the Mahindra Group, he was part of the Infrastructure Development Sector of the Group that comprised various businesses including, real estate (residential / commercial, integrated townships, SEZ's), infrastructure (thrust on urban infrastructure privatization), holidays and time share, engineering and construction and ultimately rose to be the CFO of the sector.

He has also been the CFO of the Adani Group (Realty) and the Chief Operating Officer of South Asian Real Estate, a private equity realty fund.

Mr. Krishnan does not have Directorship in any other company and is also not a member of any Committee of Board of Directors of the Company. Mr. Krishnan does not hold Equity Shares in the Company. He has 2,00,000 fresh grant of options under employee stock option scheme.

Meetings of Independent Directors

The Company's Independent Directors requires to meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. Further, Independent Directors also reviews the performance of the non-Independent Directors, Chairman (after taking into account the views of Executive and non Executive Directors) and Board as a whole. During the year under review, one Meeting was held and all Independent Directors attended the meeting.

Familiarisation Programmes for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, operations review, quarterly and annual results, budgets, review of internal audit reports and action taken report, statutory compliances, risk management, operations of subsidiaries and joint ventures companies, business strategy and risks involved. Such presentations and documents provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them understand the Company's strategy, operations, service and product offerings, markets, organisation structure, finance, human resources, technology, member relations, quality, resorts, and risk management and such other areas as may arise from time to time.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. The Company also encourages the Directors to visit the resort properties of the Company to feel the experiences and also directly interact with the vacation ownership members and guests.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at http://www.clubmahindra.com/sites/default/files/investor_news/Familiarisation_Programe_Policy.pdf.

Remuneration to Directors

Remuneration Policy

The Company has formulated a policy on remuneration of Directors and Senior Management Employees. While deciding on the remuneration for Directors, the Board and the Nomination and Remuneration Committee consider the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), their experience, past performance and other relevant factors. The

Board and the Nomination and Remuneration Committee regularly track the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed and forms part of this Annual Report.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

Remuneration of Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder. No sitting fee is payable in respect of CSR Committee meetings as the same was waived by the CSR Committee Members.

A Non-Executive Director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board. The Nomination and Remuneration Committee may recommend a higher commission for the Chairman of the Board of Directors taking into consideration his overall responsibility. The total commission payable to the

Directors shall not exceed one (1) per cent of the net profit of the Company, calculated as per provisions of the Act. A commission of ₹100 lakh has been provided as payable to the eligible Non-Executive Directors in the accounts of the year under review.

As the existing shareholders' approval for payment of remuneration by way of commission of up to 1 percent per annum of the net profits of the Company has expired with financial year ending March 31, 2015, a fresh approval under the Section 197 of the Act is being sought from the shareholders at the ensuing AGM.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company introduced by the Company.

The remuneration paid to Whole-time Directors were fixed by the Nomination and Remuneration Committee which was subsequently approved by the Board of Directors. The Shareholders have approved the remuneration paid/payable to the Managing Director & Chief Executive Officer and in respect of remuneration paid/payable to the Chief Financial Officer & Executive Director, the same would be placed before the members at the ensuing AGM.

During the year under review, the Non-Executive Directors were paid a commission of ₹100 lakh (as provided in the accounts of the year ended March 31, 2014), distributed amongst themselves as shown in the table below.

Detailed information of Directors' remuneration paid during the year 2014-15 are given below:

(₹ lakh)

Name of Directors	Category	Sitting Fees (Note 1)	Commission	Salary, Performance pay and Perquisites	Superannuation and Provident Fund (Note 2)	Total
Mr. A K Nanda	Non-Executive Chairman	7.15	60.00	-	-	67.15
Mr. V. S. Parthasarathy [^]	Non – Executive	-	-	-	-	-
Mr. Uday Y Phadke [*]	Non-Executive	-	-	-	-	-
Mr. Vineet Nayyar	Non-Executive	-	-	-	-	-
Mr. Cyrus J Guzder	Independent	7.20	10.00	-	-	17.20
Mr. Rohit Khattar	Independent	2.10	10.00	-	-	12.10
Mr. Sridar Iyengar	Independent	6.05	10.00	-	-	16.05
Mr. Sanjeev Aga	Independent	5.75	10.00	-	-	15.75
Ms. Radhika Shastry [^]	Independent	4.00	-	-	-	4.00
Mr. Kavinder Singh [~]	Managing Director & Chief Executive Officer	-	-	72.70	6.25	78.95
Mr. S. Krishnan [@]	Chief Financial Officer & Executive Director	-	-	20.56	0.81	21.37

* Resigned from the services of the Company from the conclusion of the 18th AGM held on August 27, 2014.

[^] Appointed w.e.f August 27, 2014.

[~] Appointed w.e.f. November 3, 2014.

[@] Appointed w.e.f. January 22, 2015 and the amount represents only for period from January 22, 2015 to March 31, 2015.

Notes:

1. Non-Executive Chairman and Independent Directors are paid sitting fee for attending meetings of the Board / Committees of the Board of Directors of the Company. With effect from August 2014, the sitting fees has been raised from ₹ 20,000 to ₹ 1,00,000 for attending meetings of Board and for all other Committee Meetings the same has been raised to ₹ 30,000. In respect of Corporate Social Responsibility ("CSR") Committee, no sitting fee is paid as the sitting fee has been waived by the members of the CSR Committee.

2. Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.
3. Details of Salary to Mr. Kavinder Singh and Mr. S Krishnan are as follows

₹ lakh

Particulars	Kavinder Singh@	S Krishnan*
Salary and Allowances	77.16	18.37
Perquisites	1.79	3.00
Performance Pay	-	-

@ For the period November 3, 2014 to March 31, 2015

* For the period January 22, 2015 to March 31, 2015

4. The Company has not advanced loans to any Director during the year.

5. The nature of employment of the Managing Director & CEO and Chief Financial Officer & Executive Director with the Company are contractual and can be terminated by giving 3 months notice from either party. Mr. Kavinder Singh appointment is for a period of 5 years and Mr. Krishnan's appointment, subject to shareholders' approval, is for a period of 3 years. The contracts does not provide for any severance fees. Remuneration payable to Mr. Kavinder Singh was approved for a period of 3 years by the shareholders
6. Performance pay to the whole-time directors are determined by the Nomination and Remuneration Committee and then approved by the Board on the basis pre-determined performance parameters.

Shares and Convertible Instruments, if any, held by Directors

Details of ownership of any shares/options in the Company by the Directors either on their own or for any other person on a beneficial basis is given below:

Name of Directors	Category	Shares held as on March 31, 2015	No. of Options granted in November, 2007* (Note 1)	No. of Options granted in November, 2008* (Note 2)	No. of Options granted in February, 2012 (Note 3)	No. of Options granted in January, 2015 (Note 4)
Mr. A K Nanda	Non-Executive Chairman	6,94,630**	9,510	10,500	-	-
Mr. Uday Y Phadke#	Non-Executive	-	3,170	3,500	-	-
Mr. V. S. Parthasarathy^	Non-Executive	-	-	-	-	-
Mr. Vineet Nayyar	Non-Executive	26,700	10,000	-	-	-
Mr. Cyrus J Guzder	Independent	26,700	-	-	-	-
Mr. Rohit Khattar	Independent	26,700	-	-	-	-
Mr. Sridar Iyengar	Independent	-	-	-	27,500	-
Mr. Sanjeev Aga	Independent	-	-	-	-	-
Ms. Radhika Shastry^	Independent	-	-	-	-	-
Mr. Kavinder Singh~	Managing Director & CEO	-	-	-	-	4,00,000##
Mr. S. Krishnan@	CFO & Executive Director	-	-	-	-	2,00,000##

* All Options vested have been exercised.

** In addition 1,02,050 Equity Shares are held by relatives of Mr. A K Nanda.

Resigned with effect from the conclusion of 18th AGM held on August 27, 2014.

^ Appointed w.e.f. August 27, 2014.

~ Appointed w.e.f. November 3, 2014.

@ Appointed w.e.f. January 22, 2015.

Fresh grant under Mahindra Holidays & Resorts India Limited Employee Stock Option Scheme 2014.

Notes:

	Date of Grant	Vesting Period	Exercise Period	Exercise Price
1	November 1, 2007	Four equal installments in November 2008, 2009, 2010 and 2011	Five years from each date of vesting	₹52/-
2	November 1, 2008	Four equal installments in November 2009, 2010, 2011 and 2012		₹52/-
3	February 21, 2012	Four equal installments in February 2013, 2014, 2015 and 2016		₹323/-
4	January 22, 2015##	Four equal installments in February 2016, 2017, 2018 and 2019		₹ 264/-

The Options granted in November 2007 stand augmented by 5 Bonus options for every 3 existing options on account of 5:3 Bonus Issue made in November 2007.

The Company has given fresh grant under Mahindra Holidays & Resorts India Limited Employee Stock Option Scheme 2014.

Board Committees

Audit Committee

The Committee's composition meets with the requirements of Section 177 of the Act and Clause 49 of the Listing Agreements. As on March 31, 2015, the Committee comprised of 5 Directors: Mr. Sridar Iyengar, Mr. Cyrus J Guzder, Mr. Rohit Khattar, Mr Sanjeev Aga (w.e.f. July 28, 2014) and Mr. V. S. Parthasarathy (w.e.f. August 27, 2014). Mr. Uday Y Phadke was member of the Committee till August 27, 2014. Mr. Sridar Iyengar is the Chairman of the Committee. Mr. Sridar Iyengar, Mr. Cyrus Guzder, Mr. Rohit Khattar and Mr. Sanjeev Aga are Independent Directors. All members of the Committee possess financial/accounting expertise/exposure. The Company Secretary is the Secretary to the Committee.

The terms of reference of the Committee are in accordance with the requirements of Clause 49 of the Listing Agreement and Section 177 of the Act.

The terms of reference of this Committee are very wide. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. It is authorised to, inter alia, review and monitor the Auditor's independence and performance, effectiveness of the audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, examination of the financial statements and the Auditors' Report thereon, approval of transactions of the Company with related parties wherever necessary, including subsequent modifications thereof, grant omnibus approvals subject to fulfillment of certain conditions, scrutiny of inter- corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers, rights issue, preferential issue, etc.

The Committee is empowered to review, inter alia, the remuneration payable to the Statutory Auditors and Internal Auditors and to recommend a change in the Auditors, if felt necessary. It is also empowered to review Financial Statements and investments of the unlisted subsidiary companies, Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions. Further, the Committee is also authorised to oversee the functioning of the Whistle Blower Policy/Vigil Mechanism as well as review on a quarterly basis, the report on compliance under SEBI (Prohibition of Insider Trading) Regulations, 2015 given by the Compliance Officer. Generally all items listed in Clause 49 III (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49III(C)

of the Listing Agreement and reviews all the information as prescribed in Clause 49 III(E) of the Listing Agreement.

The Chairman of the Board, Managing Director & Chief Executive Officer, Chief Financial Officer & Executive Director, Internal Auditor and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The Committee met five times during the year under review and the gap between two Meetings did not exceed four months. During the financial year April 1, 2014 to March 31, 2015, the Committee met on: May 6, 2014, July 24, 2014, July 28, 2014, October 30, 2014 and January 22, 2015. The attendance at the Meetings is as under:

Members	Number of Meetings	
	Held	Attended
Mr. Sridar Iyengar	5	5
Mr. Cyrus J Guzder	5	4
Mr. V. S. Parthasarathy	2	2
Mr. Rohit Khattar	5	0 [#]
Mr. Sanjeev Aga	3	3
Mr. Uday Y Phadke	2	2

one meeting via telephone

Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. A K Nanda, Chairman of the Board, Mr. V. S. Parthasarathy, Non Executive Director (w.e.f August 27, 2014) and Mr. Kavinder Singh, Managing Director & CEO (w.e.f November 3, 2014) of the Company. Mr. Uday Y Phadke was member of the Committee till August 27, 2014. Mr. Dinesh Shetty, Company Secretary, is also the Compliance Officer of the Company under the Listing Agreement.

The Committee meets as and when required, to inter-alia deal with matters relating to its terms of reference which include transfer of shares and monitoring redressal of complaints from shareholders relating to transfers, non- receipt of balance sheet, non-receipt of dividends declared, etc.

The Committee met four times during the financial year April 1, 2014 to March 31, 2015: May 6, 2014, July 28, 2014, October 30, 2014 and January 22, 2015. The attendance at the Meetings is as under:

Members	Number of Meetings	
	Held	Attended
Mr. A K Nanda	4	4
Mr. Uday Y Phadke	2	2
Mr. V. S. Parthasarathy	2	2
Mr. Kavinder Singh	1	1

During the year, 25 complaints were received from the Shareholders, all of which have been attended to/resolved. As of March 31, 2015, there are no pending share transfers or complaints from the shareholders.

Nomination and Remuneration Committee

The broad terms of reference of the Committee are to recommend to the Board about the Company's policy on appointment and remuneration package for Directors, Key Managerial Personnel and Senior Management and to advise the Board in framing the remuneration policy of the Company from time to time, to give directions for administration of the Employees Stock Option Schemes and to attend to any other responsibility as may be entrusted by the Board within the terms of reference.

During the year under review, the Committee recommended the appointment of Mr. Kavinder Singh and Mr. S Krishnan as Managing Director & Chief Executive Officer and as Whole-time Director designated as Chief Financial Officer & Executive Director respectively for the approval of the Board. Further, the Committee also recommended the appointment of Mr. V S Parthasarathy as Non Executive Director, and Ms. Radhika Shastry as Independent Director.

During the year under review, your Company had formulated the Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2014 (MHRIL ESOS 2014). The MHRIL ESOS 2014 is administered and implemented in accordance with the directions of the Nomination and Remuneration Committee and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (the "SEBI Regulations").

The Committee's constitution and terms of reference are in compliance with the provisions of the Act, Clause 49 of the Listing Agreement and SEBI Regulations.

The Nomination and Remuneration Committee consists of Mr. A K Nanda, Mr. Cyrus J Guzder, Mr. Vineet Nayyar, Mr. Rohit Khattar and Mr. Sridar Iyengar. Mr. Cyrus J Guzder is the Chairman of the Committee.

Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their

performance and defined assessment criteria. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:

- the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
 - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
 - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - the right of an employee to exercise all options vested in him at one time or various points of time within the exercise period;
 - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
 - the granting, vesting and exercising of options in case of employees who are on long leave; and
 - the procedure for cashless exercise of options.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
 - To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee met four times during the financial year April 1, 2014 to March 31, 2015: May 6, 2014, July 28, 2014, August 27, 2014 and January 22, 2015. The attendance at the Meetings is as under:

Members	Number of Meetings	
	Held	Attended
Mr. A K Nanda	4	4
Mr. Vineet Nayyar	4	1 [#]
Mr. Cyrus J Guzder	4	3
Mr. Rohit Khattar	4	1
Mr. Sridar Iyengar	4	4

[#] in addition to the above Mr. Vineet Nayyar also attended one meeting via telephone

Loans & Investment Committee

The Loans & Investment Committee approves the loans, investment, subscription/acquisition, sale/transfer and all related aspects of these transactions. The Committee consists of Mr. A K Nanda, Chairman and Mr. Kavinder Singh, Managing Director & CEO (w.e.f. November 3, 2014) as the members. There were no meetings of the Committee during 2014-15 as all the loans, investments and subscription/acquisition made during the year were approved by the Board in its meetings.

Inventory Approval Committee

Inventory Approval Committee was constituted by the Board for evaluating and approving property acquisition by way of outright purchase as well as long term lease proposals of the Company. Mr. A K Nanda, Mr. Kavinder Singh (w.e.f. November 3, 2014) and Mr. Cyrus J Guzder are the members of the Committee. While no physical meetings of the Committee were held, during the year under review, the committee approved certain transactions by passing of resolutions by circulation.

Strategy and Review Committee:

The Strategy and Review Committee was constituted by the Board to evaluate and review the business plan and make necessary recommendations and also review the performance of the Company. Mr. A K Nanda, is the Chairman and Mr. Cyrus J Guzder, Mr. Rohit Khattar, Mr Sanjeev Aga and Mr. Kavinder Singh (w.e.f. November 3, 2014) are the other members of the Committee.

During the year under review, Committee met once on April 23, 2014 and all the members attended the Meeting.

Corporate Social Responsibility Committee:

The role of the Corporate Social Responsibility (CSR) Committee is inter-alia to approve the overview the CSR activities of the Company in terms of compliance under provisions of the Act. The Members of the CSR Committee are Mr. A K Nanda, as the Chairman, Mr. V.S. Parthasarathy (w.e.f August 27, 2014), Mr. Kavinder Singh, Managing Director & CEO (w.e.f November 3, 2014) and Mr. Cyrus J Guzder. Mr. Uday Y Phadke ceased to be a member of CSR committee consequent to his resignation as Director of the Company with effect from the conclusion of 18th AGM.

The Committee met thrice during the year from April 1, 2014 to March 31, 2015 on: May 6, 2014, October 30, 2014 and January 22, 2015. The attendance of the Meeting is as under:

Members	Number of Meetings	
	Held	Attended
Mr. A K Nanda	3	3
Mr. V. S. Parthasarathy	2	2
Mr. Uday Y Phadke	1	1
Mr. Cyrus J Guzder	3	3
Mr. Kavinder Singh	1	1

Committee of Directors - Investment

During the year under review, the Board of Directors at their meeting held on January 22, 2015, constituted Committee of Directors – Investment, to inter alia consider in detail the proposal for further investment in Holiday Club Resorts Oy, Finland and to approve the same. Mr. A K Nanda, is the Chairman and Mr. V.S. Parthasarathy, Mr. Sanjeev Aga and Mr. Cyrus J Guzder are the other members of the Committee.

During the year under review, the Committee met once on January 29, 2015. Except Mr. V S Parthasarathy (attended through via telephone) all the other members attended the Meeting.

Risk Management Committee:

During the year under review, the Risk Management Committee was constituted by the Board on October 30, 2014. The Committee’s prime responsibility is to implement and monitor the risk management plan and policy of the Company. Mr. A K Nanda, Mr. V.S. Parthasarathy, Mr. Cyrus J Guzder and Mr. Kavinder Singh are the members of the Committee. There were no meetings of the Committee held during 2014-15.

The Committee’s role and responsibilities includes framing, overseeing implementation and monitoring of Risk Management Plan and Policy; validating the process of risk management and procedure for Risk Minimization; periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes; continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed and performing such other functions as may be necessary or appropriate for the performance of its oversight function.

Disclosures

Code of Conduct

The Board has amended the Code of Conduct and Ethics for the Board of Directors and Senior Management to align with the provisions of the Companies Act, 2013. The Board has laid down two separate Codes of Conduct (“Codes”), one for Board Members and other for Senior Management and Employees of the Company. These Codes have been posted on the Company’s website www.clubmahindra.com. All Board Members and Senior Management personnel of the Company have affirmed compliance with these Codes.

A declaration signed by Managing Director & CEO on the same is attached at the end of this report.

CEO and CFO Certification

The Managing Director & CEO (“MD & CEO”) and the Chief Financial Officer & Executive Director (CFO & ED) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The MD & CEO and CFO & ED also gave quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the MD & CEO and the CFO & ED is published in this Report.

Risk Management

Your Company has risk management framework in place and this has been discussed in greater detail in the Management Discussion and Analysis Chapter of this Annual Report.

Compliance Certificate of the Auditors

Certificate from the Company's Auditors, Deloitte Haskins & Sells confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

Subsidiary Companies'

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As of March 31, 2015 the Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed by the Company's Audit Committee.
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

Related Party Transactions

During 2014-15, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the management, Holding company, Subsidiaries, Associates or relatives that may have potential conflict with the interests of the Company at large except for those mentioned in the Directors Report. Further, details of related party transactions form part of notes to the standalone accounts of the Annual Report.

Accounting Treatment in Preparation of Financial Statements

In the preparation of the standalone and consolidated financial statements, the Company has followed the Accounting Standards and the generally accepted accounting principles in India.

The Company has 6 shareholders with 262 outstanding shares in the suspense account lying at the year ended March 31, 2015. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The details as required to be disclosed in the Annual Report are given below:

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2014	9	370
Number of shareholders who approached Issuer / Registrar and Share Transfer Agent for transfer of shares from suspense account during the year 2014-15	3	108
Number of shareholders to whom shares were transferred from suspense account during the year	3	108
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2015	6	262

Details of Non-compliance Relating to Capital Markets

The Company has complied with all the requirements of regulatory authorities with respect to capital markets. There were no instances of non-compliances by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during the year under review.

Code for Prevention of Insider Trading Practices

During the year under review, the Company adhered to comprehensive Code of Conduct for Prevention of Insider Trading for its Directors and designated employees. The Code lays down guidelines, through which it advises the designated employees or directors on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

Proceeds from Public Issues

The Audit Committee has been monitoring the uses and applications of funds raised through Institutional Placement Programme (IPP) by major category such as capital expenditure, sales and marketing, working capital, etc., on a quarterly basis as part of its quarterly declaration of financial results. The Company has not utilised the funds generated out of public issue (IPP under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended) for any purpose other than those stated in the offer document/prospectus.

During the year under review, the Company has completed the utilisation of entire funds raised from the IPP towards the Objects of the Issue.

Details of Unclaimed Shares

As per the provisions of Clause 5A of the Listing Agreement, the Company has a Demat account titled "Mahindra Holidays & Resorts India Limited - Unclaimed Shares Demat Suspense Account" ("Demat Suspense Account") for transferring the unclaimed shares which were allotted pursuant to Initial Public Offer (IPO) of the Company.

Management Discussion and Analysis Report

Management Discussion and Analysis Report (MDA) has been attached as a separate chapter and forms part of this Annual Report.

Compliance with Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

As regards the non-mandatory requirements, during the year under review, there is no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure that its financial statements remained unqualified. The Company has not adopted any other non-mandatory requirement specified in Annexure XIII of the Listing Agreement.

General Shareholder Information

Nineteenth Annual General Meeting

Day & Date : Tuesday, July 28, 2014

Time : 3.00 PM

Venue : Mini Hall, The Music Academy,
TTK Road, Chennai – 600 014.

Details of Annual General Meetings held during past three years and Special Resolutions passed

Year	Date	Time	Venue	Special Resolutions Passed
2012	July 25, 2012	3.00 PM	Tapovan Hall, Chinmaya Heritage Centre, No.2, 13th Avenue, Harrington Road, Chetpet, Chennai – 600 031.	Amendment of Articles of Association of the Company.
2013	July 29, 2013	3.00 PM	Tapovan Hall, Chinmaya Heritage Centre, No.2, 13th Avenue, Harrington Road, Chetpet, Chennai – 600 031.	No Special Resolution was passed.
2014	August 27, 2014	3.00 PM	Vani Mahal, Main Hall, T.Nagar, Chennai - 600017	Consent to the Board of Directors to exercise power to create charges, mortgages, hypothecations and pledges under Section 180(1)(a) of the Companies Act, 2013.

Details of Extraordinary General Meeting (EGM) held during past three years and Special Resolutions passed

Year	Date	Time	Venue	Special Resolutions Passed
2013	February 23, 2013	3.00 PM	Mahindra Towers, 4th Floor, 17/18, Patullos Road, Chennai – 600 002.	Approval for further Issue of Shares under Institutional Placement Programme (IPP).
2014	February 19, 2014*	3.00 PM	Mahindra Towers, 4th Floor, 17/18, Patullos Road, Chennai – 600 002.	Approval of the Scheme of Amalgamation & Arrangement of Bell Tower Resorts Private Limited with Mahindra Holidays & Resorts India Limited and their shareholders and creditors.

*Meeting of the Equity Shareholders of the Company pursuant to the Orders of the Hon'ble High Court of Judicature at Madras dated December 9, 2013 directing the said meeting to be held.

Details of Postal Ballot held during past three years and Special Resolutions passed

Year	Date	Special Resolutions Passed
2014	December 26, 2014	<ol style="list-style-type: none"> Approval of Employees Stock Option Scheme 2014 & Issue of Securities. Approval of extending benefits of Employees Stock Option Scheme – 2014 to the employees of holding/subsidiary/associate company(ies) Appointment and Remuneration to Mr. Kavinder Singh as a Managing Director & Chief Executive Officer

No Special Resolution was passed through Postal Ballot during 2012-13 and 2013-14.

Dates of Book Closure/Record Date

Dates of book closure for dividend will be from July 18, 2015 to July 28, 2015 both days inclusive.

Dividend Payment Date

Dividend if declared at the Annual General Meeting will be paid on or after July 29, 2015 but before August 5, 2015.

Financial Year

The financial year covers the period from April 1 to March 31.

Financial Reporting for 2015 – 16

The First Quarter Results – June 30, 2015	By end of July, 2015
The Half Yearly Results – September 30, 2015	By end of October, 2015
Third Quarter Results – December 31, 2015	By end of January, 2016
Approval of Annual Accounts – March 31, 2016	By end of April, 2016

Note: The above dates are indicative.

Means of Communication

The quarterly, half-yearly and yearly results as required under Clause 41 of the Listing Agreement are normally published in Business Standard (English editions) and Makkal Kural (Tamil edition). These are not sent individually to the Shareholders.

The Company's results and official news releases are displayed on the Company's website at www.clubmahindra.com. Presentations are also made to international and national institutional investors and analysts, which are also put up on the website of the Company.

Listing on Stock Exchanges

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The requisite listing fees have been paid in full to the Stock Exchanges where the Company's shares are listed.

Mahindra Holidays & Resorts India Limited's (MHRIL) Stock Exchange Codes

BSE 533088

NSE MHRIL

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares

ISIN: INE998I01010

Stock Performance**BSE and NSE – Monthly High / Low and Volumes**

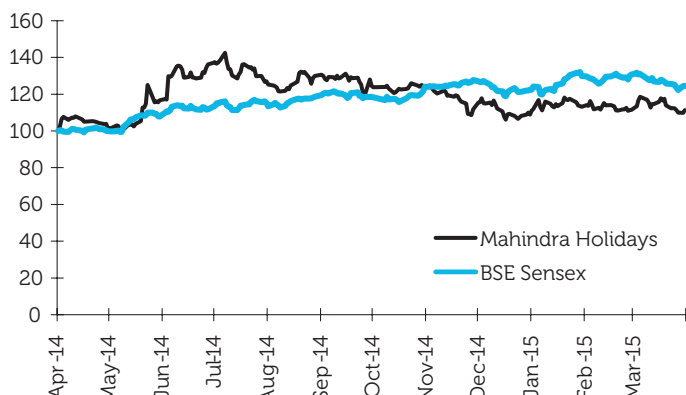
	NSE			BSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April, 2014	256.00	230.65	7,36,208	256.00	230.40	1,41,277
May, 2014	296.00	230.00	26,10,760	296.70	231.00	5,66,644
June, 2014	326.00	268.20	41,11,137	326.50	268.25	10,75,147
July, 2014	339.00	288.10	18,06,293	335.00	292.00	4,37,612
August, 2014	311.95	276.20	13,30,813	312.00	276.00	3,37,202
September, 2014	317.75	271.10	23,19,088	317.95	271.00	4,66,956
October, 2014	295.00	277.00	9,28,330	297.00	277.00	2,51,074
November, 2014	291.45	247.60	17,05,031	291.00	247.75	3,58,938
December, 2014	277.15	239.10	17,52,293	276.50	239.30	5,34,248
January, 2015	283.50	252.05	15,33,856	282.30	252.50	4,42,893
February, 2015	277.70	252.10	10,32,584	274.40	254.00	12,74,239
March, 2015	277.40	248.95	11,38,930	277.40	248.05	3,26,196



Performance in comparison to BSE – Sensex, NSE Nifty and BSE 500 Index

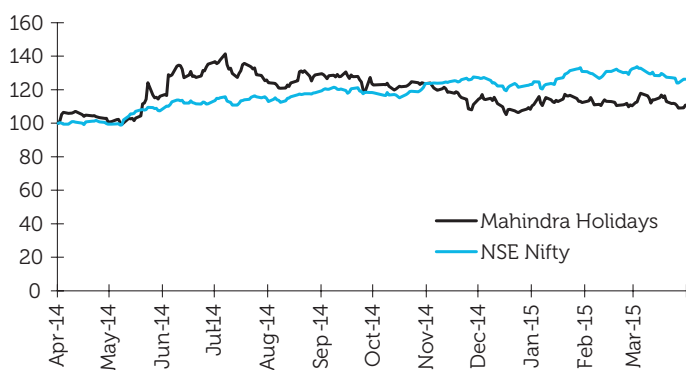
Month	MHRIL's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month
April, 2014	233.95	22,417.80	6,696.40	8,342.15
May, 2014	269.80	24,217.34	7,229.95	9,206.01
June, 2014	317.10	25,413.78	7,611.35	9,791.34
July, 2014	292.70	25,894.97	7,721.30	9,831.51
August, 2014	299.55	26,638.11	7,954.35	10,096.08
September, 2014	287.30	26,630.51	7,964.80	10,173.26
October, 2014	287.30	27,865.83	8,322.20	10,594.89
November, 2014	258.35	28,693.99	8,588.25	10,956.16
December, 2014	251.80	27,499.42	8,282.70	10,721.62
January, 2015	261.35	29,182.95	8,808.90	11,346.24
February, 2015	256.75	29,361.50	8,901.85	11,454.34
March, 2015	257.80	27,957.49	8,491.00	11,048.75

Mahindra Holidays' Share Performance versus BSE Sensex



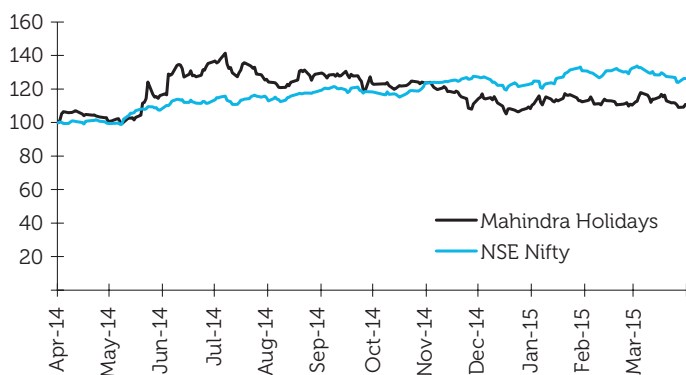
Note: Share price of Mahindra Holidays and BSE Sensex have been indexed to 100 on April 1, 2014

Mahindra Holidays' Share Performance versus BSE 500



Note: Share price of Mahindra Holidays and BSE 500 have been indexed to 100 on April 1, 2014

Mahindra Holidays' Share Performance versus NSE NIFTY



Note: Share price of Mahindra Holidays and NSE NIFTY have been indexed to 100 on April 1, 2014

Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

The Stakeholders Relationship Committee meets as and when required to consider the other transfer proposals and attend to Shareholders' grievances. As of March 31, 2015, there are no pending share transfers pertaining to the year under review.

Distribution of Shareholding as on March 31, 2015

Category (Shares)	Number of Shareholders	Percentage to Shareholders	Number of Shares	Percentage to Share
1 - 100	16,208	73.64	7,05,217	0.79
101 - 500	4,161	18.91	10,73,420	1.21
501 - 1000	769	3.49	6,16,825	0.69
1001 - 5000	652	2.96	14,56,014	1.64
5001 - 10000	102	0.46	7,62,345	0.86
10001 - 50000	82	0.37	18,64,192	2.10
50001 - 100000	9	0.04	6,80,489	0.77
100001 and above	26	0.12	8,16,22,354	91.94
TOTAL:	22,009	100.00	8,87,80,856	100.00

Shareholding Pattern as on March 31, 2015

Category of Shareholders	Total Holdings	Holdings in Percentage
Promoters holdings	6,65,85,642	75.00
Mutual Funds	19,81,457	2.23
Banks, Financial Institutions & others	40,914	0.05
Foreign Institutional Investors	88,20,673	9.94
Foreign Portfolio Investors	3,18,779	0.36
Bodies Corporate	18,08,687	2.04
NRIs/OCBs/Foreign Nationals	9,92,320	1.12
Indian Public	82,32,384	9.26
Total	8,87,80,856	100.00

Dematerialisation of Shares

As on March 31, 2015, 99.98 per cent of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share, as trading in the Equity Shares of the Company on exchanges is permitted only in dematerialised form. Non-Promoters' holding is 25 per cent.

Outstanding ADRs GDRs Warrants or any Convertible Instruments, conversion date and likely impact on Equity

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

Offices of the Company

Registered Office:

Mahindra Towers, 2nd Floor,
No.17/18, Patullos Road,
Chennai – 600 002.

Tel : 044 - 3988 1000

Fax : 044 - 3027 7778

E : investors@manindraholiday.com

W : www.clubmanindra.com

CIN : L55101TN1996PLC036595



Corporate Office:

Mahindra Towers, 1st Floor,
'A' Wing, Dr. G.M. Bhosle Marg,
P.K. Kurne Chowk,
Worli, Mumbai – 400 018.
Tel: 022 - 3368 4722
Fax: 022 - 3368 4721

Apart from the registered & corporate office, the Company has an extensive network of branch offices, including site offices at the resorts to carry out the business of the Company. Details of these offices can be found at the Company's website www.clubmahindra.com

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500 032
Ph : 040 6716 2222 Fax : 040 2300 1153
Toll free no : 1800 345 4001
E-mail: einward.ris@karvy.com

Address for Correspondence

Shareholders may correspond with the Company at its Corporate Office or with the Registrar and Transfer Agents M/s. Karvy Computershare Private Limited at the above mentioned address in respect of all matters relating to transfer / dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company.

Company Secretary & Compliance Officer

Mr. Dinesh Shetty
Mahindra Towers, 1st Floor,
'A' Wing, Dr. G.M. Bhosale Marg,
P.K. Kurne Chowk,
Worli, Mumbai – 400 018.
Tel: 022 - 3368 4722
Fax: 022 - 3368 4721
Email id : investors@mahindraholidays.com

Company's Investor E-mail ID

The Company has also designated investors@mahindraholidays.com as an exclusive email ID for Shareholders for the purpose of registering complaints. This has also been displayed on the Company's website.

Company's website

www.clubmahindra.com

Declaration on Codes of Conduct

To

The Members of Mahindra Holidays & Resorts India Limited

I, Kavinder Singh, Managing Director & CEO of Mahindra Holidays & Resorts India Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2015.

Mumbai, May 18, 2015

Kavinder Singh
Managing Director & CEO

CEO & CFO Certification

The Board of Directors

Mahindra Holidays & Resorts India Limited

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief and subject to the disclosures made to the Audit Committee at the meetings:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and declare, subject to the disclosures made to Audit Committee at the meetings, that there are no deficiencies in the design or operation of such internal controls, if any, of which we are aware.
- (d) We, have informed the Auditors and Audit Committee
 - (i) significant changes in internal control over financial reporting during the year
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Kavinder Singh
Managing Director & CEO

Mumbai, May 18, 2015

S Krishnan
Chief Financial Officer &
Executive Director

Independent Auditors' Certificate

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No.: 008072S), as Statutory Auditors of Mahindra Holidays & Resorts India Limited ("the Company"), having its Registered Office at Mahindra Towers, No. 17/18, Patullos Road, Chennai – 600 002, have examined the compliance of conditions of corporate governance by the Company, for the year ended on 31 March 2015 as stipulated in Clause 49 of the Listing Agreement, as amended from time to time, of the Company with the stock exchanges.
2. We have been requested by the Management of the Company to provide a certificate on compliance of corporate governance under Clause 49 of the Listing Agreement, as amended from time to time.
3. The Management is responsible for the compliance of conditions of corporate governance. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above mentioned Listing Agreement, as amended from time to time.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership NO. 19521)

Place : Chennai
Date : May 18, 2015



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion

and to the best of our information and according to the explanation given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership No 19521)

Mumbai, May 18, 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Holidays & Resorts India Limited on the accounts for the year ended 31st March, 2015)

- (i) Having regard to the nature of the Company's business / activities / result, clause (v), (vi), (ix) and (xi) of the Order are not applicable to the Company in the current year.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has
- (c) Details of dues of income tax , service tax and luxury tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- (iv) In our opinion and according to the information and explanations given to us , the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (vi) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Luxury Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Luxury Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹)
Income Tax Act	Income Tax	Commissioner of Income Tax – Appeals	2010-11, 2011-12 & 2012-13	2,762,805,470
Finance Act	Service Tax	Central Excise & Service Tax Appellate Tribunal	2005 to 2011	601,217,070
		Commissioner (Appeals)	2011-12	1,053,030
Tamilnadu Luxury Tax Act	Luxury Tax	Deputy Commissioner – Appeals, Coimbatore	2002-03 to 2005-06, 2010-11, 2011-12	8,149,692
Kerala Luxury Tax Act	Luxury Tax	Deputy Commissioner – Appeals, Ernakulam	2008-09 to 2014-15	242,902,852

- (d) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- (vii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) In our opinion and according to the information and explanations given to us, the guarantee given by the Company for loans taken by others from banks are not, prima facie, prejudicial to the interests of the Company
- (ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership No 19521)

Mumbai, May 18, 2015

BALANCE SHEET AS AT MARCH 31, 2015

In ₹

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	880,262,510	880,241,730
Employee stock option outstanding		238,374	-
Reserves and Surplus	4	6,428,436,247	7,017,346,549
		7,308,937,131	7,897,588,279
Non-Current liabilities			
Deferred Income - Entitlement fee (See note 2 (viii) (a))		15,086,632,248	13,930,730,395
Deferred tax liabilities (net)	5	604,405,409	589,831,266
Other long term liabilities	6	50,444,931	71,077,452
Long term provisions	7	49,763,667	40,942,408
		15,791,246,255	14,632,581,521
Current liabilities			
Short term borrowings	8	64,121,146	29,135,656
Trade payables	9	1,137,108,817	1,161,923,267
Deferred Income - Entitlement fee (See note 2 (viii) (a))		851,778,117	751,102,920
Deferred Income - Annual Subscription fee (See note 2 (viii) (b))		817,292,263	662,569,007
Other current liabilities	10	739,616,287	559,369,690
Short term provisions	11	429,130,053	417,244,359
		4,039,046,683	3,581,344,899
		27,139,230,069	26,111,514,699
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	12	7,734,800,880	6,669,436,338
Intangible assets		224,353,232	226,273,994
Capital work in progress	43	643,833,393	636,433,993
Intangible assets under development		73,088,979	45,531,430
		8,676,076,484	7,577,675,755
Non-current investments	13	1,415,016,691	1,460,749,621
Long term loans and advances	14	1,956,281,690	1,801,676,688
Other Non-current assets	15	4,370,238,603	3,844,171,488
		7,741,536,984	7,106,597,797
Current assets			
Current investments	16	95,826,402	126,646,207
Inventories	17	53,363,129	95,900,702
Trade receivables	18	8,704,466,501	8,434,161,810
Cash and cash equivalents	19	166,144,985	386,790,271
Short term loans and advances	20	1,539,486,804	2,181,139,326
Other current assets	21	162,328,780	202,602,831
		10,721,616,601	11,427,241,147
		27,139,230,069	26,111,514,699

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**M.K. Ananthanarayanan**
PartnerPlace: Mumbai
Date: May 18, 2015

For and on behalf of the Board of Directors

A. K. Nanda
Chairman**S. Krishnan**
Executive Director &
Chief Financial OfficerPlace: Mumbai
Date: May 18, 2015**Kavinder Singh**
Managing Director & CEO**Dinesh Shetty**
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

In ₹

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
Revenue from operations	22	7,948,508,218	7,775,195,726
Other income	23	127,069,094	214,103,801
Total Revenue		8,075,577,312	7,989,299,527
EXPENDITURE			
Employee benefits expense	24	1,619,766,584	1,617,371,322
Finance costs	25	2,500,122	9,684,184
Depreciation and amortisation expense	12	654,058,265	380,269,427
Other expenses	26	4,530,802,662	4,567,773,945
Total Expenditure		6,807,127,633	6,575,098,878
Profit before exceptional item and tax		1,268,449,679	1,414,200,649
Exceptional item	46	218,797,194	-
Profit before tax		1,049,652,485	1,414,200,649
Less : Tax expense			
- Current tax		192,000,000	291,000,000
- Deferred tax		67,410,300	177,853,979
Profit for the year		790,242,185	945,346,670
Earnings per share			
Basic		8.98	10.76
Diluted		8.98	10.75
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**M.K. Ananthanarayanan**
PartnerPlace: Mumbai
Date: May 18, 2015

For and on behalf of the Board of Directors

A. K. Nanda
Chairman**S. Krishnan**
Executive Director &
Chief Financial OfficerPlace: Mumbai
Date: May 18, 2015**Kavinder Singh**
Managing Director & CEO**Dinesh Shetty**
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

In ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and tax	1,268,449,679	1,414,200,649
Adjustments :		
Depreciation and amortisation expense	654,058,265	380,269,427
Finance costs	2,500,122	9,684,184
Interest income	(104,571,050)	(161,585,419)
Dividend income	(16,477,181)	(37,411,294)
Dividend on dissolution of investment in subsidiary (MHRUSA)	(6,020,863)	-
Profit on sale of investment in subsidiaries	-	(15,107,088)
Loss on fixed assets sold/scrapped (net)	1,327,859	3,305,618
Bad debts	-	1,886,810
Provision for doubtful receivable and advances	14,056,243	7,942,068
	544,873,395	188,984,306
Operating profit before working capital changes	1,813,323,074	1,603,184,955
Changes in working capital :		
Deferred income - Entitlement fee & Annual subscription fee	1,411,300,306	1,550,042,057
Trade and other receivables	(363,328,832)	(2,743,669,121)
Inventories	42,537,573	(32,104,745)
Trade and other payables	191,581,164	345,075,715
	1,282,090,211	(880,656,094)
Income taxes paid	(404,497,166)	(404,794,467)
NET CASH FROM OPERATING ACTIVITIES	2,690,916,118	317,734,394
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including capital work in progress and expenditure pending allocation	(1,416,923,271)	(923,316,274)
Proceeds from sale of fixed assets	6,803,144	2,482,852
Investments in subsidiaries and joint venture	(459,764,997)	(16,809,707)
Proceeds from sale/dissolution of investments in subsidiaries	6,066,366	328,053,267
Earmarked deposits not considered as part of Cash and cash equivalents (including acquired through merger of Bell Tower Resorts Private Limited)	(32,913,627)	(142,644)
Advances to subsidiaries and joint venture	(730,409,525)	(335,947,774)
Interest received	22,208,173	19,630,087
Dividend income	16,477,181	37,411,294
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(2,588,456,556)	(888,638,899)

In ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayments of borrowings	34,985,490	9,636,238
Dividends paid	(355,054,872)	(355,057,356)
Dividend distribution tax paid	(60,353,226)	(60,353,226)
Proceeds from issue of equity shares through IPP	-	1,055,976,420
Loan recovered from ESOP Trust	-	3,000,000
Finance cost paid	(2,500,122)	(9,684,184)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(382,922,730)	643,517,892
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(280,463,168)	72,613,387
CASH AND CASH EQUIVALENTS :		
Opening balance	510,051,166	437,437,779
Add : Acquired on merger of Bell Tower Resorts Private Limited	3,915,550	-
Total	513,966,716	437,437,779
Closing balance	225,672,448	510,051,166
	(280,463,168)	72,613,387
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet	166,144,985	386,790,271
Less: Bank balances not considered as Cash and cash equivalents	36,298,939	3,385,312
Net Cash and cash equivalents	129,846,046	383,404,959
Add: Current investments considered as part of Cash and cash equivalents (Investment in units of Mutual Funds)	95,826,402	126,646,207
Cash and cash equivalents at the end of the year	225,672,448	510,051,166
See accompanying notes forming part of the financial statements		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place: Mumbai
Date: May 18, 2015

For and on behalf of the Board of Directors

A. K. Nanda
Chairman

S. Krishnan
Executive Director &
Chief Financial Officer

Place: Mumbai
Date: May 18, 2015

Kavinder Singh
Managing Director & CEO

Dinesh Shetty
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1 Corporate Information

The company was incorporated on September 20, 1996, and is in the business of selling vacation ownership and providing holiday facilities.

2 Significant Accounting Policies

(i) Basis for preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Also Refer Note No. 22.1 regarding recognition of entitlement fee.

(ii) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialise.

(iii) Inventories:

Inventories are carried at lower of cost and net realisable value. Cost is determined on First-in-First-out basis. Cost includes the purchase price, non refundable taxes and delivery handling cost. Net realisable value is estimated at the expected selling price less estimated costs of procurement and sales.

(iv) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(v) Cash flow statements:

Cash flows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information.

(vi) Depreciation and amortisation:

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

- (a) Leasehold land and buildings are amortised over the period of lease.
- (b) Floating cottages grouped under building are depreciated over the useful life of 25 years.
- (c) Furniture and Fixtures in ‘Club Mahindra Holiday World’ are amortised over a period of 36 months from the date of capitalisation.
- (d) Motor vehicles provided to employees are depreciated over a period of 48 months. Other assets provided to employees are depreciated over a period of 60 months.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- (a) Expenditure incurred towards software is amortised over a period of 36 months.
- (b) Expenditure on product design and development & web portal is amortised over the estimated useful life of the asset i.e. 3 / 4 years.
- (c) Non-compete fee is amortised over a period of 5 years.

Assets individually costing less than ₹ 5000 each are fully depreciated in the year of capitalisation. The estimated useful life of the intangible asset and the amortisation period are reviewed at the end of the each financial year and the amortisation method is revised to reflect the changed pattern.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(vii) Expenditure during construction period:

Revenue expenses incurred in connection with construction of resorts insofar as such expenses relate to the period prior to the date the resort is put to use are treated as part of project cost and capitalised.

(viii) Revenue recognition:

- (a) The Company's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis. Admission fee, which is non-refundable, is recognized as income on admission of a member. Entitlement fee (disclosed under Deferred income – Entitlement fee), which entitles the vacation ownership members for the vacation ownership facilities is recognized as income equally over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member), commencing from the year of admission of each member. Requests for cancellation of membership are accounted for when it is accepted by the Company. In respect of instalments considered doubtful of recovery by the management, the membership is treated as cancelled and related revenues are de-recognised.
- (b) Annual subscription fee dues from members are recognised as income over the period of subscription as per terms agreed with the members. Subscription pertaining to the period beyond the date of the Balance Sheet is grouped under Deferred Income.
- (c) Interest on instalment sales is recognised as income on an accrual basis.
- (d) Income from resorts includes income from room rentals, food and beverages, etc. and is recognised when services are rendered.
- (e) Securitised assets are derecognised as the contractual rights therein are transferred to the third party. On being derecognised, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation.
- (f) Income from travel services includes commission on tickets/hotel booking, service charges from customers, etc. and is recognised when services are rendered.

(ix) Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it, is established.

(x) Fixed assets:

Fixed assets are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and other directly attributable costs of bringing the asset to its working condition for its intended use and includes interest on money borrowed for construction/acquisition of fixed assets up to the period the assets are ready for use. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(xi) Foreign currency transactions and translations:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

(xii) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

(xiii) Employee benefits:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

(a) Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

(b) Long term employee benefit plans

The Company has defined contribution and defined benefit plans. The plans are financed by the Company and in the case of some defined contribution plans employees also contribute to the plan.

Defined Contribution Plan

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Employee Stock Option Scheme

The compensation cost of stock option granted to employees is measured by Intrinsic Value Method. The intrinsic value, which is the excess of market price of the underlying equity shares as of the date of grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(xiv) Borrowing Cost:

Borrowing cost that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset till

such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

(xv) Segment reporting:

The Company has a single reportable segment namely sale of Vacation Ownership and other services for the purpose of Accounting Standard 17 on Segment Reporting. Business segment is considered as the primary segment.

(xvi) Leases:

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

(xvii) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xviii) Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

(xix) Impairment of assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists the recoverable amount of such asset is estimated and impairment is recognised, if the carrying amount of these assets exceed their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in

use is arrived at by discounting the future cash flows to their present values based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in the case of re-valued asset.

(xx) Provision and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the notes.

(xxi) Share issue expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

(xxii) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(xxiii) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

(xxiv) Operating cycle:

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 3 : Share Capital

Particulars	As At March 31, 2015		As At March 31, 2014	
	No. of shares	₹	No. of shares	₹
Authorised : 100,000,000 equity shares of ₹ 10 each.	100,000,000	1,000,000,000	100,000,000	1,000,000,000
	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Issued, Subscribed & Paid up : Equity : (Net of shares allotted to ESOP Trust but not exercised by employees) 88,780,856 (previous year 84,639,772) equity shares of ₹ 10 each fully paid.	88,780,856	887,808,560	84,639,772	846,397,720
Add: NIL (previous year 4,141,084) shares issued during the year through Institutional Placement Programme.	-	-	4,141,084	41,410,840
Less: 754,605 (previous year 756,683) equity shares of ₹ 10 each fully paid-up allotted to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust ("ESOP Trust") but not exercised by employees.	754,605	7,546,050	756,683	7,566,830
	88,026,251	880,262,510	88,024,173	880,241,730

Notes:

- 3 a) The above includes 48,995,228 equity shares allotted as fully paid-up by way of Bonus shares by capitalisation of balance in Statement of Profit & Loss and General Reserve on November 24, 2007 in the ratio of 5 equity shares for every 3 shares held.
- 3 b) Terms / rights attached to equity shares:
- The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.
 - The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
 - For the year ended March 31, 2015, the amount of dividend proposed to be distributed to equity shareholders is ₹ 355,123,424 at ₹ 4 per share (Previous year ₹ 355,123,424 at ₹ 4 per share).
 - Repayment of capital will be in proportion to the number of equity shares held.
- 3 c) Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	No of shares	% held as at March 31, 2015	No of shares	% held as at March 31, 2014
Mahindra & Mahindra Limited (Holding Company)	66,585,642	75.00%	66,585,642	75.00%

- 3 d) The reconciliation of the number of shares outstanding as at March 31, 2015 and March 31, 2014 is set out below:

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	In ₹	No. of Shares	In ₹
No. of Shares at the beginning	88,024,173	880,241,730	83,880,884	838,808,840
Add: Shares issued - pursuant to an Institutional Placement Programme (IPP)	-	-	4,141,084	41,410,840
Add: Shares issued on exercise of employee stock options	2,078	20,780	2,205	22,050
Number of shares at the end	88,026,251	880,262,510	88,024,173	880,241,730

- 3 e) i) Under the Employee Stock Option Scheme (ESOS 2006) equity shares are allotted to the Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust (the trust) set up by the Company. The trust holds these shares for the benefit of the eligible Employees/Directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- ii) During the year the Company formulated the Employee Stock Option Scheme (ESOS 2014), under which the company proposed to issue and allot the shares either directly or to the existing Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust (the trust). To the extent allotted, the trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.
- iii) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	ESOS 2006 - Equity settled option plan administered through Employee Stock Option Trust. ESOS 2014 - Equity settled option plan issued directly/administered through Employee Stock Option Trust.
Method of Settlement	By issue of shares at Exercise Price.

Particulars	Date of Grant	Exercise price (in ₹)	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	19.50	4	56,700			
Grant V (ESOS 2006)**	11/01/2008	52.00	52.00	4	261,590			
Grant VI (ESOS 2006) #	21/02/2012	370.00	-	4	400,000			
Grant VII (ESOS 2006) ##	21/02/2012	323.00	-	4	186,500			
Grant VIII (ESOS 2006)**	21/02/2013	323.00	-	4	130,000			
Grant IX (ESOS 2006)**	29/01/2014	253.00	-	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	-	4	620,000			

Note (a) 35%,30%,15%,10% and 10% on expiry of 12,24,36,48 and 60 months from the date of grant respectively.

Note (b) Minimum of 100 and a maximum of all the options vested but not exercised till that date.

- iv) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on 1.4.2014	Options granted	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on 31.03.2015	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006	Closed						
Grant II (ESOS 2006)	30/03/2007	3,735	-	-	-	2,335	1,400	1,400
Grant III (ESOS 2006)	11/01/2007	4,234	-	-	-	-	4,234	4,234
Grant V (ESOS 2006)**	11/01/2008	20,916	-	-	2,078	-	18,838	18,838
Grant VI (ESOS 2006) #	21/02/2012	200,000	-	-	-	-	200,000	200,000
Grant VII (ESOS 2006) ##	21/02/2012	107,750	-	20,375	-	-	107,750	87,375
Grant VIII (ESOS 2006)**	21/02/2013	130,000	-	32,500	-	-	130,000	65,000
Grant IX (ESOS 2006)**	29/01/2014	35,000	-	8,750	-	-	35,000	8,750
Grant I (ESOS 2014)	22/01/2015	-	620,000	-	-	-	620,000	-
Total		501,635	620,000	61,625	2,078	2,335	1,117,222	385,597

** Issued out of lapsed options.

Out of the above 90,000 shares have been issued out of lapsed options.

Out of the above 86,500 shares have been issued out of lapsed options.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- v) In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the shares allotted to the trust including bonus shares but not exercised by the employees have been reduced from the share capital by ₹ 7,546,050 and securities premium account reduced by ₹ 145,180,792. The said shares will be added to the issued share capital as and when the trust issues the shares to the concerned persons on their exercising the option and till such shares are issued the amount received from the trust is disclosed under "other current liabilities".
- vi) The Company has adopted the intrinsic value method in accounting for employee cost on account of ESOS for Grant I (ESOS 2006), Grant II (ESOS 2006), Grant III (ESOS 2006) and Grant V (ESOS 2006) and for all the other grants fair value method adopted. The intrinsic value of the shares granted under Grant I (ESOS 2006), Grant II (ESOS 2006), Grant III (ESOS 2006) and Grant V (ESOS 2006) based on the valuations obtained from an independent valuer is ₹ 16 per equity share as on 31st March, 2006, ₹ 52 per equity share as on 1st January, 2007, 31st August, 2008 and 1st November 2008, based on the Discounted Cash Flow Method. The fair value of the shares granted under Grant VI (ESOS 2006), Grant VII (ESOS 2006), Grant VIII (ESOS 2006) and Grant IX (ESOS 2006) based on the fair value market price is ₹ 370, ₹ 323, ₹ 323 and ₹ 253 per share respectively. As the difference between the intrinsic value/fair value and the exercise price per share is ₹ Nil, no employee compensation cost has been charged.
- vii) In respect of the options granted under the Grant I (ESOS 2014) of Employee Stock Option Plan, in accordance with guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortised on a straight line basis over the period between the date of grant of options and the eligible dates for conversion into equity shares. Consequently, employee compensation cost include ₹ 238,374 (previous year nil) being the amortisation of deferred employee compensation.
- viii) Fair Value of options based on Black Scholes option pricing model:

The fair value of options based on the valuation of the independent valuer for Grant I (ESOS 2006), Grant II (ESOS 2006), Grant III (ESOS 2006) and Grant V (ESOS 2006) as of the respective dates of grant i.e. 15th July 2006, 30th March 2007, 1st November 2007 and 1st November 2008 is ₹ 4.28, ₹ 16.36, ₹ 16.55 and ₹ 16.04 respectively.

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant i.e. 21st February 2012 is ₹ 113.81 for Grant VI (ESOS 2006), ₹ 129.93 for Grant VII (ESOS 2006), 21st February 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), 29th January 2014 is ₹ 83.75 for Grant IX (ESOS 2006) and 22nd January 2015 is ₹ 97.24 for Grant I (ESOS 2014).

Had the Company adopted the fair value method in respect of options granted, the total amount that would have been amortised over the vesting period is ₹ 167,679,000 and the impact on the financial statements would be:

(in ₹)

Particulars	Year ended	
	31-March-15	31-March-14
Increase in employee compensation cost	6,339,644	1,026,858
Decrease in profit after tax	6,339,644	1,026,858
Decrease in basic & diluted earnings per share	(0.07)	(0.01)

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	Grant I (ESOS 2006)	Grant II (ESOS 2006)	Grant III (ESOS 2006)	Grant V (ESOS 2006)	Grant VI & VII (ESOS 2006)	Grant VIII (ESOS 2006)	Grant IX (ESOS 2006)	Grant I (ESOS 2014)
Grant Date	15/07/2006	30/03/2007	11/01/2007	11/01/2008	21/02/2012	21/02/2013	29/01/2014	22/01/2015
Risk free interest rate	7.82%	7.92%	7.72%	7.34%	8.00%	7.78%	8.81%	7.74%
Expected life	4.5	5	5	5	6	3.5	3.5	3.5
Expected volatility	Nil	Nil	Nil	Nil	0.33	0.31	0.29	0.29
Expected dividend yield	Nil	Nil	Nil	Nil	₹ 4.00	1.38%	1.66%	1.48%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 4 : Reserves & Surplus

In ₹

Particulars	As at March 31, 2015	As at March 31, 2014
Capital Reserve	1,474,577	1,474,577
Amalgamation Reserve Account		
Adjustment arising on Amalgamation (Refer Note No. 45)	306,065,684	-
Less : Transferred to Securities Premium Account	306,065,684	-
	-	-
Securities Premium Account		
As per last balance sheet	2,703,948,741	1,720,261,044
Premium on shares issued during the year through Institutional Placement Programme	-	1,014,565,580
Less: Share issue expenses on account of Institutional Placement Programme	-	30,877,883
Less: Adjustment arising on Amalgamation (Refer Note No. 45)	306,065,684	-
	2,397,883,057	2,703,948,741
Less : Premium on shares issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust (ESOP Trust) but not exercised by employees (See note below).	145,180,792	145,185,862
	2,252,702,265	2,558,762,879
General Reserve		
As per last balance sheet	686,134,032	591,599,365
Add : Transfer from Statement of Profit & Loss	79,024,219	94,534,667
	765,158,251	686,134,032
Add : Bonus shares issued to the ESOP Trust but not exercised by employees (See note below).	2,156,870	2,169,200
	767,315,121	688,303,232
Surplus in Statement of Profit & Loss		
As per last balance sheet	3,768,805,861	3,333,470,508
Less : Adjustment on Amalgamation (Refer Note No. 45)	456,076,659	-
Less : Loss of erstwhile Bell tower Resorts Private Limited for the year 2013-14 (Refer Note No. 45.b)	86,974,662	-
Add : Profit for the current year	790,242,185	945,346,670
Less : Depreciation adjustment consequent to transition to Schedule II of The Companies Act 2013 net of deferred tax of ₹ 52,836,157 (Refer Note No. 35)	102,610,025	-
	3,913,386,700	4,278,817,178
Appropriations :		
- Transfer to General Reserve	79,024,219	94,534,667
- Proposed Dividend	355,123,424	355,123,424
- Tax on Proposed Dividend	72,294,773	60,353,226
	506,442,416	510,011,317
	3,406,944,285	3,768,805,861
	6,428,436,247	7,017,346,549

Note :

Previous years' figures have been regrouped to reflect the re-alignment of options granted between normal and bonus shares with consequential adjustments to Securities Premium Account, General Reserve Account and amounts due from ESOP Trust Account.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 5 : Deferred Tax Liability (net)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax asset		
Provision for doubtful receivables	8,270,396	3,344,993
Provision for compensated absences	17,814,649	14,517,169
Others	22,149,120	17,103,041
	48,234,165	34,965,203
Deferred tax liability		
Difference between book and tax depreciation	652,639,574	624,796,469
Deferred tax liability (net)	604,405,409	589,831,266
Reconciliation of Deferred Tax expenses for the year		
Difference between the deferred tax liability (net) as at the beginning and end of the year as above.	14,574,143	
Deferred tax impact netted off from depreciation on tangible fixed assets on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus (Refer Note No. 35)	52,836,157	
Deferred tax expense for the year as per statement of Profit and Loss	67,410,300	

Note 6 : Other Long Term Liabilities

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Others:		
Retention monies payables on purchase of fixed assets*	50,444,931	71,077,452
	50,444,931	71,077,452

*Due after one year from the date of the Balance Sheet.

Note 7 : Long Term Provisions

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Compensated absences	49,763,667	40,942,408
	49,763,667	40,942,408

Note 8 : Short Term Borrowings

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Secured :		
Loans repayable on demand		
- Cash credit from Banks	64,121,146	29,135,656
	64,121,146	29,135,656

Loans from banks are secured by an exclusive charge on inventories, receivables and other moveable assets, both present and future.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 9 : Trade Payables

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables :		
Total outstanding dues to entities other than micro and small enterprises	1,137,108,817	1,161,923,267
	1,137,108,817	1,161,923,267

Trade payable are dues in respect of goods purchased and services rendered in the normal course of business.

The particulars regarding dues to Micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. There are no dues payable to such parties as at the balance sheet date.

Note 10 : Other Current Liabilities

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital creditors	236,761,005	57,302,438
Dues to Statutory Authorities (PF,ESI & other taxes)	70,438,521	43,805,841
Gratuity	8,203,783	6,916,716
Unpaid dividend*	249,008	180,456
Other payables**	423,963,970	451,164,239
	739,616,287	559,369,690

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31,2015.

** Other payables mainly represent the Commission payable to non-whole time directors, amounts received from ESOP Trust on issue of shares, provision for estimated cost of offers made to members on acquisition, deferred rent on rent equalization under AS-19, renovation and pre-opening expenses in respect of resorts.

Note 11 : Short Term Provisions

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Compensated absences	1,711,856	1,767,709
Proposed Dividend	355,123,424	355,123,424
Tax on Proposed Dividend	72,294,773	60,353,226
	429,130,053	417,244,359

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 13 : Non current investments (At cost unless otherwise specified)

	(in ₹)	
Particulars	As At March 31, 2015	As At March 31, 2014
Long term Investments (Un-Quoted) :		
Investment in Equity Shares (non trade, fully paid-up)		
Mahindra World City Developers Ltd. (1 equity share of ₹ 10 each)	10	10
Investment in Equity Shares (trade, fully paid-up)		
Subsidiaries :		
Mahindra Holidays and Resorts USA Inc - Dissolved during the year (100 equity shares of US\$ 0.10 each)	-	45,503
Heritage Bird (M) Sdn. Bhd. (300,002 shares of one Ringgit each)	4,026,772	4,026,772
Mahindra Hotels and Residences India Ltd. (49,994 equity shares of ₹ 10 each)	499,940	499,940
Bell Tower Resorts Private Limited - Merged with the Company in the current year (Refer note - 45) (19,938,674 Shares of ₹ 10/- each)	-	505,452,424
Divine Heritage Hotels Private Limited (700,000 Shares of ₹ 10/- each)	92,497,545	92,497,545
Gables Promoters Private Limited (13,200,000 Shares of ₹ 10/- each)	136,378,036	136,378,036
Holiday on Hills Resorts Private Limited (1,000,000 Shares of ₹ 10/- each)	438,739,417	438,739,417
MH Boutique Hospitality Limited (49,000 shares of THB 100 each)	9,538,138	9,538,138
Infinity Hospitality Group Company Limited (734,850 shares of THB 100 each)	268,110,663	268,110,663
Competent Hotels Private Limited (Refer Note (b) below) (308,300 shares of ₹ 100/- each)	448,254,447	-
MHR Holdings (Mauritius) Limited (Refer Note (c) below) (145,000 shares of Eur 1/- each)	11,510,550	-
Joint venture :		
Arabian Dreams Hotels and Apartments LLC (147 shares of AED 1000/- each)	5,211,172	5,211,172

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	(in ₹)	
	As At March 31, 2015	As At March 31, 2014
Others :		
Mahindra Hotels and Resorts Limited (20,011 shares of ₹ 10/- each)	1	1
Investment in Preference Shares (non trade fully paid-up)		
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each) (Refer Note (a) below)	250,000	250,000
	1,415,016,691	1,460,749,621
Aggregate value of unquoted investments	1,415,016,691	1,460,749,621

Notes:

- The preference shares of Guestline Hospitality Management and Development Services Limited will be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz 14.01.2003 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10/- each anytime after thirty six months from the date of allotment.
- On June 18, 2014, the Company acquired the entire share capital of Competent Hotels Private Limited (CHPL) from the existing shareholders and consequent to this, CHPL has become a wholly owned Subsidiary of the Company.
- On June 26, 2014, the Company subscribed to the entire share capital of MHR Holdings (Mauritius) Limited (MHRML).

Note 14 : Long Term Loans & Advances (Unsecured, considered good)

Particulars	(in ₹)	
	As at March 31, 2015	As at March 31, 2014
Payment towards Income Tax (net of provision)	1,133,564,680	921,067,514
Security deposits	499,548,861	441,595,151
Capital advances	242,336,294	344,326,736
Loans and advances to related parties	80,831,855	94,687,287
	1,956,281,690	1,801,676,688

Note 15 : Other Non-Current Assets (Unsecured, considered good)

Particulars	(in ₹)	
	As at March 31, 2015	As at March 31, 2014
Long term trade receivables - due for payment after one year from the date of Balance Sheet	4,370,238,603	3,844,171,488
	4,370,238,603	3,844,171,488

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 16 : Current investments (At lower of cost and fair value)

(in ₹)

Particulars	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014	As At March 31, 2014
	Units	Value	Units	Value
Investment in Mutual Funds (unquoted)				
Units :				
Birla Sun Life Cash Plus - Reg - Dly Dividend	-	-	35,110	3,522,513
Birla Sun Life Savings Fund	200,463	20,105,882	345	34,616
DWS Ultra Short Term Fund - DDRE	2,095,991	20,997,428	-	-
DWS Insta Cash Plus Fund - Super IP - Dly Dividend	-	-	13,589	1,364,159
ICICI Prudential Ultra Short Term - Regular Plan-DDRE	-	-	256,843	27,157,515
ICICI Prudential Liquid Reg DDRE	125,488	12,556,820	-	-
IDFC Ultra Short Term Fund - Reg - Dly Dividend	-	-	3,673,160	36,823,427
Kotak Liquid Scheme - Plan A - Dly Dividend	-	-	2,795	3,417,235
Kotak Floater Long Term	-	-	2,001,554	20,175,266
UTI Treasury Advantage Fund - IP - Dly Dividend	-	-	1,606	1,609,503
Sundaram Money Fund - Reg - Dly Dividend	-	-	344,289	3,475,697
Franklin India Ultra Short Bond Fund - SIP-DDRE	2,109,683	21,264,132	-	-
Reliance Medium Term Fund - DDRE	1,222,641	20,902,140	-	-
Templeton India Ultra Short Bond Fund - Super IP - Dly Dividend	-	-	2,277,039	22,876,495
Templeton India TMA - Super IP - Dly Dividend	-	-	6,185	6,189,781
		95,826,402		126,646,207
Aggregate value of unquoted investments		95,826,402		126,646,207

Note 17 : Inventories (At lower of cost & net realisable value)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Stores:		
Food, beverages and smokes	10,342,893	10,860,164
Operating supplies	43,020,236	85,040,538
	53,363,129	95,900,702

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 18 : Trade Receivables (Unsecured)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for more than six months from the date they are due for payment		
Considered good	3,655,908,491	2,996,340,744
Considered doubtful	11,397,352	9,841,109
Less: Allowance for trade receivables	11,397,352	9,841,109
	3,655,908,491	2,996,340,744
Others (Refer note below)	5,048,558,010	5,437,821,066
	5,048,558,010	5,437,821,066
	8,704,466,501	8,434,161,810

Note:

Others include outstanding for less than six months from the date they are due for payment and amounts due within one year from the date of Balance Sheet.

Note 19 : Cash & Cash equivalents

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash on hand	6,463,927	6,783,135
	6,463,927	6,783,135
Balances with Banks:		
Current accounts	123,382,119	172,367,033
Deposit account - with maturity of less than 3 months	-	204,254,791
Deposit account - others	2,503,902	2,503,902
Earmarked accounts:		
Margin money deposits (towards guarantees given)	33,469,453	624,378
Unpaid dividend accounts	325,584	257,032
	159,681,058	380,007,136
	166,144,985	386,790,271

Note 20 : Short Term Loans & Advances (Unsecured)

(in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Inter corporate deposits, loan & advances to subsidiaries		1,177,389,757		1,734,490,371
Loan to ESOP Trust		125,000,000		125,000,000
Balances with Statutory Authorities-Service Tax		372,516		61,421,056
Advances to suppliers /employees :				
Considered good	108,773,568		176,248,571	
Considered doubtful	12,500,000		-	
Less: Provision for doubtful advances	12,500,000		-	
		108,773,568		176,248,571
Others (claims and prepaid expenses)		127,950,963		83,979,328
		1,539,486,804		2,181,139,326

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 21 : Other Current Assets

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on Inter corporate deposits, loans and advances :		
Subsidiaries	161,356,232	199,305,115
Others	972,548	3,297,716
	162,328,780	202,602,831

Note 22 : Revenue from operations

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income from operations :		
Income from sale of vacation ownership (refer note no. 22.1 below)	4,439,384,806	4,826,007,078
Income from Resorts :		
- Room rentals	163,195,382	107,219,623
- Food and beverages	855,594,421	705,022,559
- Wine and liquor	28,345,093	27,452,549
- Others	270,965,571	241,821,508
Annual Subscription Fee	1,556,098,019	1,327,343,011
Income from travel services (refer note no. 22.2 below)	22,795,344	66,935,150
	7,336,378,636	7,301,801,478
Other operating income :		
Interest Income on Instalment sales	597,985,963	455,981,405
Income from securitization (refer note no. 27)	6,575,718	3,776,696
Miscellaneous income	7,567,901	13,636,147
	612,129,582	473,394,248
	7,948,508,218	7,775,195,726

Note:

22.1 Pursuant to entitlement fee being recognised from the year of admission of each member as against from the year of entitlement, there has been an increase in revenue in current year amounting to ₹ 73,068,129. Also refer note no. 46 for adjustments relating to past periods.

22.2 These services have been rendered only upto October 31, 2014.

Note 23 : Other income

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Dividend income :		
Dividend income from current investments	16,477,181	37,411,294
Interest income :		
On deposits with bank	3,607,746	21,757,745
On others - related parties	100,963,304	139,827,674
Profit on sales of Investment in subsidiaries	-	15,107,088
Final dividend on dissolution of Investment in subsidiary	6,020,863	-
	127,069,094	214,103,801

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 24 : Employee benefits expense

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	1,436,175,956	1,399,340,296
Contribution to Provident & other funds	60,774,348	62,685,628
Staff welfare	122,816,280	155,345,398
	1,619,766,584	1,617,371,322

Note 25 : Finance costs

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest on short term borrowings	2,500,122	9,684,184
	2,500,122	9,684,184

Note 26 : Other expenses

(in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Food Beverages and smokes consumed:				
Opening stock	10,860,164		10,780,650	
Add: Purchases	262,379,099		220,984,813	
Add: Acquired on merger of BTRPL	639,513		-	
	273,878,776		231,765,463	
Less: Closing stock	10,342,893		10,860,164	
		263,535,883		220,905,299
Operating supplies		313,781,866		354,359,015
Power and fuel		284,376,535		266,556,681
Rent (including lease rentals)		597,343,272		605,267,646
Rates and taxes		35,447,992		37,598,502
Insurance		32,420,558		18,692,816
Repairs and maintenance :				
- Buildings and Resorts		116,362,315		120,944,508
- Office equipment		32,775,233		25,300,218
- Others		223,986,901		167,194,049
Communication		88,511,094		75,467,208
Software charges		20,290,626		19,072,549
Consultancy charges		120,010,268		103,373,229

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 26 : Other expenses (Contd.)

(in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Sales commission		252,450,793		252,164,063
Sales promotion expenses		1,337,291,873		1,486,369,713
Discounts		156,588,073		176,482,536
Travelling		184,764,226		198,213,781
Service charges		209,042,072		225,082,855
Bad debts		-		1,886,810
Provision for doubtful receivables and advances		14,056,243		7,942,068
Auditors' remuneration :				
Audit fees		3,900,000		3,500,000
Other services		3,500,000		7,120,000
Reimbursement of expenses/levies		35,501		12,441
Director's fees		3,230,000		1,025,000
Commission to non whole time directors		10,000,000		10,000,000
Loss on exchange fluctuation (net)		5,904,388		1,488,689
Loss on fixed assets sold/Write-off (net)		1,327,859		3,305,618
Bank charges		82,957,289		63,209,776
Expenditure on Corporate Social Responsibility		30,397,176		5,772,943
Miscellaneous		106,514,626		109,465,932
		4,530,802,662		4,567,773,945

27 Securitisation

The company has been securitising amounts receivable including future interest receivable thereon. The excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation.

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Value of Accounts receivable	586,013,212	603,524,597
Less: Future interest receivable	123,953,981	131,965,238
Principal amount of receivables	462,059,231	471,559,359
Consideration received	500,000,000	500,000,000
Profit on securitisation	37,940,769	28,440,641
Less: Reversals	31,365,051	24,663,945
Income from securitisation	6,575,718	3,776,696

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

28 Contingent Liabilities

(in ₹)

Particulars	As at March 31,	
	2015	2014
(A) Receivables securitised, with recourse.		
Certain specified Receivables have been securitised with a bank for availing finance. In case a member defaults in payment to the bank, the bank would have recourse to the company. In such cases, the company has recourse to the customer.	1,867,971,631	2,689,790,487
(B) Claims against the company not acknowledged as debts		
1) Luxury tax claimed on members' stay at resorts (inclusive of penalty)	251,052,544	74,671,145
2) Service tax claimed on interest on instalments and other items (inclusive of penalty where quantified in demand)	638,770,100	638,770,100
Interest (estimated) [₹ 120,780,224 (2014: ₹ 120,780,224)]		
3) Income tax matters in dispute		
(a) Pertaining to Revenue Recognition (timing differences)*		
<u>Assessment Years 1998-99 to Assessment Year 2003-04 and Assessment Year 2005-06 to Assessment Year 2009-10</u>		
The matter has been decided in favour of the Company by the appellate authorities, the Department has filed an appeal before the Madras High Court; Tax (excluding interest)	1,978,570,362	2,033,473,937
<u>Assessment Years 2004-05 and Assessment Year 2010-11 to Assessment Year 2012-13</u>		
Company's appeal before the CIT(A) is pending; Tax (including interest of ₹ 716,762,503)	2,753,180,338	1,824,923,160
b) Pertaining to other matters (mainly timing differences)*		
<u>From Assessment Year 2004-05 onwards</u>		
Company's appeal before Appellate authorities is pending; Tax (including interest of ₹ 76,297,746)	324,338,723	283,720,946
* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.		
Notes:		
1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the company's rights for future appeals. No reimbursements are expected.		
2) In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows if any; the Company has also been legally advised that the consequential impact of matters referred in 1 and 2 above in respect of assessments remaining to be completed may not be material.		
(C) Guarantees given by the company for subsidiaries		
<u>Value in foreign currency</u>		
Amount of Guarantee given (EURO)	11,200,000	-
Outstanding amount against Guarantee (EURO)	10,924,562	-
<u>Value in INR</u>		
Amount of Guarantee given	757,736,000	-
Outstanding amount against Guarantee	739,101,242	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(D) Other matters under appeal**i) Property Related**

- (a) The Government of Kerala issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the grounds that it is agricultural land and cannot be used for commercial purposes. The Company has filed an appeal before the Commissioner of Land Revenue against the Order stating that the patta issued does not specify that the land should be used only for agricultural purpose and also obtained a Stay Order from the Kerala High Court against eviction from the property.

The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company against the Order of the Sub-Collector, District of Devikulam dated July 3, 2007 cancelling the assignment of land underlying the Munnar Resort and directing repossession of land on the grounds that it is agricultural land and cannot be used for commercial purposes. The Company filed a writ petition before the Kerala High Court against the said Order and on December 13, 2007, the Court granted an interim stay of all further proceedings.

- (b) With respect to the land underlying the resort at Tungi, the Sub-Divisional Magistrate, Maval, vide order dated 6th June, 2014 suspended the boarding and lodging license of the resort. The Company has filed an appeal before the Collector, Pune, and obtained a stay against the suspension. The final order in respect of this matter is awaited. The Company also filed an appeal before the Additional Divisional Commissioner Pune, challenging the cancellation of the "Non Agricultural" status of the land and obtained a stay against the cancellation. The matter is pending hearing and disposal.

With respect to certain claims of a neighbouring property owner, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against him disturbing the possession of the Company and obtained an ad-interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the order aforesaid and all matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune.

- (c) Pursuant to a "public interest litigation" filed before the Gujarat High Court, the officials of the Forest and Revenue departments undertook an inspection of all resorts (including the Company's resort) at Gir in March 2015. Consequently, the Forest Department has alleged certain irregularities and sealed some structures / rooms in April 2015. The Company has denied the alleged violations and made its representations before a Committee constituted by the Gujarat High Court and the matter is pending hearing .

None of the matters contained in (a) to (c) above affect the routine operations of the resorts.

- (ii) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹12,56,14,668 as damages for termination of the Contract. The Company has made a counter claim of ₹20,03,56,002 towards liquidated damages and other losses. The matter is pending before the Arbitrator.
- (iii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to Feb 2013 in respect of Indian employees and from April 2010 to Feb 2013 in respect of international employees. The PF Authorities have made a claim of ₹1,89,93,169. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.
- (iv) With respect to member complaints pending before various consumer fora and other matters: Estimated amount of claims ₹ 8,26,50,033 (previous year: ₹ 5,51,20,252).

29 (i) The company did not have material foreseeable losses on long-term contracts.

(ii) The company did not enter into any derivative contracts during the year.

30 Capital commitments

(in ₹)

Particulars	As at March 31,	
	2015	2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	241,222,451	369,926,295

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

31 CIF Value of Imports

(in ₹)

Particulars	Year ended March 31,	
	2015	2014
Capital goods	48,834,258	11,552,423

32 Expenditure in foreign currency

(in ₹)

Particulars	Year ended March 31,	
	2015	2014
Salaries	43,245,765	33,645,528
Travel	7,432,834	5,005,321
Consultancy	15,867,297	21,379,965
Marketing expenses	54,255,064	40,831,278
Lease rent	91,959,105	50,705,355
Others	30,635,864	24,023,359

33 Earnings in foreign exchange

(in ₹)

Particulars	Year ended March 31,	
	2015	2014
Room rentals and restaurant sales	5,601,985	3,720,654
Interest (including Inter corporate deposits, loan & advances to subsidiaries and joint venture)	43,277,579	44,551,294
Other receipts in foreign currency	39,010,059	380,758,752

34 Particulars of consumption

(in ₹)

Particulars	2014-15		2013-14	
	% of total value	Consumption ₹	% of total value	Consumption ₹
Provisions, beverages (excluding wine, liquor and smokes)	97	255,532,928	97	213,699,847
Wine, Liquor and Smokes	3	8,002,955	3	7,205,452
Indigenous	100	263,535,883	100	220,905,299

35 Depreciation

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous useful life*	Revised useful life
Computers and Data Processing Equipment	SLM	21 years	3 years & 6 years
General Plant and Machinery	SLM	21 years	15 years
Furniture and Fixtures- Office	SLM	16 years	10 years
Furniture and Fixtures- Resorts	SLM	11 years	8 years
Office Equipment	SLM	21 years	5 years
Vehicles- Motor Cycle and Two wheelers	SLM	11 years	10 years
Vehicles- Others	SLM	11 years	8 years

* Previous years' useful life is converted to years from rate of depreciation under schedule XIV, the Companies Act 1956.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 102,610,025 (net of deferred tax ₹ 52,836,157) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 219,172,670 consequent to the change in the useful life of the assets.

36 Employee Benefits

The following table sets out the funded status of the defined benefit scheme and amount recognised in the financial statements.

(in ₹)

	Gratuity	2014-15	2013-14
a.	Net Asset/ (Liability) recognized in the balance sheet		
	Present value of funded obligation	31,772,222	27,951,110
	Fair value of plan assets	23,568,439	21,034,394
	Net asset/ (Liability)	(8,203,783)	(6,916,716)
b.	Expense recognized in the Statement of profit and loss		
	Current service cost	7,732,041	8,700,463
	Interest cost	2,333,285	2,045,035
	Expected return on plan assets	(1,983,342)	(1,694,432)
	Actuarial (gains) / losses	(1,309,717)	(6,571,128)
	Total expense	6,772,267	2,479,938
c.	Change in present value of obligation		
	Present value of defined benefit obligation as at the beginning of the year	27,951,110	27,354,662
	Current service cost	7,732,041	8,700,463
	Interest cost	2,333,285	2,045,035
	Actuarial (gains) / losses	(1,342,752)	(6,565,606)
	Benefits paid	(4,901,462)	(3,583,445)
	Present value of defined benefit obligation as at the end of the year	31,772,222	27,951,110
d.	Change in fair value of plan assets		
	Plan assets at the beginning of the year	21,034,394	17,104,972
	Expected return on plan assets	1,983,342	1,694,432
	Actuarial (gains) / losses	(33,035)	5,522
	Contributions by employer	5,485,200	5,812,912
	Benefits paid	(4,901,462)	(3,583,445)
	Plan assets at the end of the year	23,568,439	21,034,394
e.	Principal actuarial assumptions		
	1 Discount rate	8.00%	9.15%
	2 Expected return on plan assets	9.30%	9.30%
	3 Mortality table	IALM (2006-2008) ULT	IALM (2006-2008) ULT
f.	Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

g.	Experience Adjustment to the extent provided by actuary:	2015	2014	2013	2012	2011
	Present value of commitments	31,772,222	27,951,110	27,354,662	19,152,550	15,398,391
	Fair value of the Plans	23,568,439	21,034,394	17,104,972	12,655,898	13,579,177
	Surplus / (Deficit)	(8,203,783)	(6,916,716)	(10,249,690)	(6,496,652)	(1,819,214)
	Experience adjustment on plan liabilities	(5,465,888)	(15,152,629)	56,790	56,790	-
	Experience adjustment on plan assets	(33,035)	5,522	1,923,330	1,923,330	-
h.	In the absence of the relevant information from the actuary/insurer, the above details do not include the composition of plan assets and the estimated amount of contribution in the immediate next year.					

37 Segment Reporting:

The Company has a single reportable segment namely sale of Vacation Ownership and other services for the purpose of Accounting Standard 17 on Segment Reporting. Business segment is considered as the primary segment.

(in ₹)

Secondary segment information (Geographical):	2015	2014
Within India		
Sales	7,948,508,218	7,671,165,516
Segment assets	22,662,678,054	22,975,914,223
Capital expenditure incurred during the year	1,416,923,271	923,225,238
Outside India		
Sales	-	104,030,210
Segment assets	573,922,630	627,137,134
Capital expenditure incurred during the year	-	91,036
Total		
Sales	7,948,508,218	7,775,195,726
Segment assets	23,236,600,684	23,603,051,357
Capital expenditure incurred during the year	1,416,923,271	923,316,274

38 Earnings per share:

Particulars	2015	2014
Net profit after tax (in ₹)	790,242,186	945,346,670
Weighted average number of Equity Shares used in computing basic earnings per share (Nos.)	88,025,625	87,898,313
Weighted average number of Equity Shares used in computing diluted earnings per share (Nos.) on account of ESOP	88,045,717	87,915,815
Earnings Per Share – Basic (in ₹)	8.98	10.76
Earnings per share – Diluted (in ₹)	8.98	10.75
Par value of shares (in ₹)	10.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

39 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(in ₹)

Particulars	As at March 31,	
	2015	2014
Value in foreign currency		
Receivables (in UAE Dirham)	-	8,783,464
Loan to Malaysian Subsidiary (in Malaysian Ringgit)	4,763,836	5,131,914
Loan to Thailand Subsidiaries (in Thai Baht)	192,533,643	179,209,892
Loan & Advance to Arabian Dreams Hotels Apartments LLC (in UAE Dirham)	6,010,714	3,395,834
Trade payable (in UAE Dirham)	332,415	9,528
Trade payable (in EURO)	1,394	-
Trade Payable to Infinity Hospitality (in Thai Baht)	15,222,588	7,250,988
Trade Payable to Heritage Bird (in Malaysian Ringgit)	198,309	673,215
Value in INR		
Receivables	-	144,425,013
Loan to Malaysian Subsidiary	80,091,522	94,016,661
Loan to Thailand Subsidiaries	368,441,686	329,746,696
Loan & Advances to Arabian Dreams Hotels Apartments LLC	102,338,746	55,837,123
Trade payable (UAE Dirham)	5,586,152	155,305
Trade payable (EURO)	91,630	-
Trade Payable to Infinity Hospitality	29,186,121	14,054,589
Trade Payable to Heritage Bird	3,334,044	12,333,299

40 The Company has taken certain properties under operating lease and those leases are cancellable in nature. Accordingly, no disclosure has been given in this regard.

41 Related Party Transactions:

(i) Names of related parties and nature of relationship where control exists:

A.	Holding Company	Mahindra & Mahindra Limited
B.	Subsidiary Companies	Mahindra Hotels & Residences India Limited Divine Heritage Hotels Private Limited Gables Promoters Private Limited Holiday on Hills Resorts Private Limited Competent Hotels Private Limited Bell Tower Resorts Private Limited (till March 31, 2014) Mahindra Holidays and Resorts USA Inc. (till May 19, 2014) Heritage Bird (M) Sdn Bhd. Infinity Hospitality Group Company Limited * MH Boutique Hospitality Limited ** MHR Holdings (Mauritius) Limited Covington S.a.r.l***
C.	Associate Companies	Holiday Club Resorts Oy
D.	Fellow Subsidiaries with whom the company has transactions during the year	Bristlecone Inc Bristlecone India Limited Defence Land Systems India Limited EPC Industries Limited Mahindra Automobile Distributor Private Limited Mahindra Consulting Engineers Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

		Mahindra Defence Systems Limited Mahindra Engineering Services Limited Mahindra EPC Services Private Limited Mahindra First Choice Services Limited Mahindra First Choice Wheels Limited Mahindra Integrated Township Limited Mahindra Intergrated Business Solutions Private Limited Mahindra Intertrade Limited Mahindra Life Space Developers Limited Mahindra Logistics Limited Mahindra Navistar Automatives Limited Mahindra Residential Developers Limited Mahindra Retail Private Limited Mahindra Reva Electric Vehicles Private Limited Mahindra Shubhlabh Services Limited Mahindra Solar One Private Limited Mahindra Steel Services Centre Limited Mahindra Two Wheelers Limited Mahindra World City (Jaipur) Limited Mahindra World City Developers Limited Mahindra World School Tech Mahindra Limited
E.	Other entities under the control of the company	Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust
F.	Entity in which the company has joint control	Arabian Dreams Hotels Apartments LLC
G.	Key Management Personnel	Mr. Rajiv Sawhney (Managing Director & CEO till March 31, 2014) Mr. Kavinder Singh (Managing Director & CEO from November 3, 2014) Mr. Dinesh Shetty (Company Secretary) Mr. S Krishnan (Chief Financial Officer) Mr. S Krishnan (Executive Director & Chief Financial Officer from January 22, 2015)

* By virtue of management control. Further MH Boutique Hospitality Limited holds balance 51% equity.

** By virtue of management control.

*** Step down subsidiary.

(ii) Related Party Transactions and balances

(in ₹)		
Particulars	March 31, 2015	March 31, 2014
Holding company		
Transactions for the year ended :		
Sale of services	379,867,057	485,998,501
Purchases of fixed assets	1,277,046	-
Purchase of services	97,579,648	70,659,156
Dividend paid	266,342,568	266,342,568
Balances as at :		
Outstanding: Payable	82,955,486	47,688,211
Outstanding: Receivable	16,918,336	73,019,356

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	(in ₹)	
Particulars	March 31, 2015	March 31, 2014
Subsidiary companies		
Transactions for the year ended :		
Investments made:		
Infinity Hospitality Group Company Limited	-	11,598,534
Competent Hotels Pvt Ltd	448,254,447	-
MHR Holdings (Mauritius) Limited	11,510,550	-
ICD, loans and advances given:		
Bell Tower Resorts Private Limited	-	2,000,000
Divine Heritage Hotels Private Limited	107,733,000	103,700,000
Holiday on Hills Resorts Private Limited	3,280,000	6,200,000
Gables Promoters Private Limited	104,180,000	107,606,000
Purchase of services:		
Bell Tower Resorts Private Limited	-	41,634,321
BAH Hotelanlagen AG	-	619,544
Divine Heritage Hotels Private Limited	13,179,568	9,136,600
Holiday on Hills Resorts Private Limited	25,255,000	19,557,500
Heritage Bird (M) Sdn Bhd.	15,886,536	15,933,409
Infinity Hospitality Group Company Limited	15,131,532	16,875,071
Competent Hotels Private Limited	4,346,250	-
Interest Income:		
Bell Tower Resorts Private Limited	-	61,627,988
Divine Heritage Hotels Private Limited	16,464,888	9,095,846
Heritage Bird (M) Sdn Bhd.	7,407,485	7,690,389
Gables Promoters Private Limited	13,449,115	728,320
Holiday on Hills Resorts Private Limited	27,771,721	27,186,427
Infinity Hospitality Group Company Limited	24,708,810	24,877,240
MH Boutique Hospitality Limited	5,049,976	5,084,399
Commission on Corporate Guarantee:		
MHR Holdings (Mauritius) Limited	2,288,868	-
Dividend Income:		
Mahindra Holidays and Resorts USA Inc.	6,020,863	-
Corporate guarantees given to bank		
MHR Holdings (Mauritius) Limited (Euro 1,12,00,000) (Outstanding amount against above guarantee (Euro 10,924,562) INR 739,101,242)	7,57,736,000	-
Balances as at :		
Investment :		
Mahindra Hotels & Residences India Limited	499,940	499,940
Heritage Bird (M) Sdn Bhd.	4,026,772	4,026,772
Mahindra Holidays and Resorts USA Inc.	-	45,503
Bell Tower Resorts Private Limited	-	505,452,424
Divine Heritage Hotels Private Limited	92,497,545	92,497,545
Gables Promoters Private Limited	136,378,036	136,378,036
Holiday on Hills Resorts Private Limited	438,739,417	438,739,417

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

Particulars	March 31, 2015	March 31, 2014
Infinity Hospitality Group Company Limited	268,110,663	268,110,663
MH Boutique Hospitality Limited	9,538,138	9,538,138
Competent Hotels Private Limited	448,254,447	-
MHR Holdings (Mauritius) Limited	11,510,550	-
Loans and Advances:		
Mahindra Hotels & Residences India Limited	740,333	670,625
Heritage Bird (M) Sdn Bhd.	72,377,382	78,867,600
Heritage Bird (M) Sdn Bhd.(Interest accrued on above loan)	7,714,140	15,149,061
ICD Outstanding:		
Bell Tower Resorts Private Limited	-	650,682,785
Divine Heritage Hotels Private Limited	276,433,000	168,700,000
Holiday on Hills Resorts Private Limited	295,551,000	292,271,000
Gables Promoters Private Limited	211,786,000	107,606,000
Infinity Hospitality Group Company Limited	262,164,570	252,080,000
MH Boutique Hospitality Limited	53,587,142	51,520,000
Interest accrued but not due:		
Bell Tower Resorts Private Limited	-	122,691,827
Divine Heritage Hotels Private Limited	26,567,551	11,749,152
Holiday on Hills Resorts Private Limited	59,587,138	34,592,589
Gables Promoters Private Limited	12,759,691	655,489
Infinity Hospitality Group Company Limited	42,340,132	20,355,868
MH Boutique Hospitality Limited	10,349,842	5,790,827
Outstanding: Receivable		
Bell Tower Resorts Private Limited	-	49,123,988
Divine Heritage Hotels Private Limited	17,233,646	111,473,765
MHR Holdings (Mauritius) Limited	2,615,600	-
Holiday on Hills Resorts Private Limited	-	647,604
Deposits Given:		
Divine Heritage Hotels Private Limited	20,000,000	20,000,000
Holiday on Hills Resorts Private Limited	38,770,000	38,770,000
Outstanding: Payable		
Infinity Hospitality Group Company Limited	29,186,121	14,054,589
Heritage Bird (M) Sdn Bhd.	3,334,044	12,333,299
Competent Hotels Private Limited	2,363,655	-
Fellow Subsidiaries		
Transactions for the year ended :		
Sale of services:		
Mahindra Intertrade Limited	1,524,399	2,675,430
Mahindra Navistar Automotives Limited	-	1,806,074
Mahindra First Choice Wheels Ltd	1,048,192	471,532
Mahindra Lifespace Developers Ltd	4,314,190	4,400,232
Mahindra Reva Electric Vehicles Private Limited	-	101,316
Mahindra Two Wheelers Limited	3,546,120	4,341,991
Mahindra Shubhlabh Services Limited.	452,907	908,950
Mahindra Solar One P Ltd.	-	54,586
Mahindra Integrated Township Ltd	103,163	29,339
Mahindra World City Developers Ltd	1,098,155	1,956,406

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	(in ₹)	
Particulars	March 31, 2015	March 31, 2014
Mahindra World City (Jaipur) Ltd	1,277,067	1,806,199
Mahindra Steel Service Centre Limited	-	84,296
Mahindra Defence Systems Limited	4,008,576	2,940,026
Bristlecone India Limited.	779,342	19,500
Bristlecone Inc.	-	308,682
Defence Land Systems India Private Limited	1,628,657	438,314
EPC Industries Limited	-	21,901
Mahindra Consulting Engineers Limited	2,039,304	1,012,732
Mahindra EPC Services Private Limited	3,592,864	8,580,780
Mahindra Logistics Limited	5,079,542	-
Mahindra First Choice Services Ltd	1,951,282	-
Mahindra Automobile Distributor Pvt Ltd	27,553	-
Tech Mahindra Limited	72,399,623	88,644,391
Mahindra World School	49,400	-
Mahindra Residential Developers Limited	100,000	-
Purchase of Fixed Assets:		
Mahindra Two Wheelers Limited	232,976	-
Purchase of services:		
Mahindra Logistics Limited	-	88,987
Mahindra Integrated Business Solutions Private Limited	-	250,000
Mahindra Defence Systems	599,077	310,000
Mahindra Consulting Engineers Limited.	375,000	-
Bristlecone India Limited.	2,594,974	-
Tech Mahindra Ltd	184,282,854	87,646,708
Balances as at :		
Outstanding: Payable		
Mahindra Retail Pvt Ltd	70,508	-
Tech Mahindra Ltd	19,804,676	7,486,296
Bristlecone India Limited	2,701,996	-
Outstanding: Receivable		
Mahindra Lifespace Developers Ltd	2,401,145	402,834
Mahindra Consulting Engineers Limited	140,722	1,021,716
Mahindra Engineering Services Limited	-	515,839
Mahindra Intertrade Limited	194,076	1,483,688
Mahindra Shubhlabh Services Limited	59,088	145,899
Mahindra EPC Services Private Limited	-	1,315,936
Mahindra Two Wheelers Limited	645,298	3,697,724
Mahindra First Choice Wheels Ltd	-	90,302
Mahindra World City Developers Ltd	-	25,173
Mahindra World City (Jaipur) Ltd	-	177,393
Mahindra Defence Systems Limited	84,270	1,704,000
Mahindra Navistar Automotives Limited	-	516,730
Bristlecone India Limited.	-	19,500

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	(in ₹)	
	March 31, 2015	March 31, 2014
Defence Land Systems India Pvt Ltd	-	439,910
Mahindra Logistics Limited	821,175	-
Mahindra First Choice Services Ltd	39,713	-
Tech Mahindra Limited	506,391	2,886,117
Entity in which the company has joint control		
Transactions for the year ended :		
Investments made:	-	5,211,172
ICD, loans and advances given:	30,872,900	46,044,914
Purchase of services:	51,365,851	52,520,144
Interest Income:	6,111,309	3,537,065
Balances as at :		
Investment:	5,211,172	-
Outstanding: Receivable	14,718,823	6,322,845
ICD Outstanding:	77,868,045	46,044,914
Interest accrued but not due:	9,751,878	3,469,364
Other entities under the control of the company		
Balances as at :		
Outstanding: Receivable		
Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	125,000,000	125,000,000
Key Management Personnel		
Transactions for the year ended :		
Managerial remuneration:		
Mr. Rajiv Sawhney	-	28,886,988
Mr. Kavinder Singh	7,894,958	-
Mr. Dinesh Shetty	4,660,098	-
Mr. S Krishnan	9,508,914	-

42 During the year, the Company incurred an aggregate amount of ₹ 30,397,176 towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder.

43 **Capital work in progress (CWIP) and expenditure during construction pending allocation included therein.**

(in ₹)

Particulars	As at March 31,	
	2015	2014
Capital Work-in-progress	643,833,393	636,433,993

Expenditure during construction pending allocation included in (CWIP) above:

Salaries, Wages & Bonus	103,049,793	100,732,036
Staff welfare Expenses	1,347,999	1,042,167
Power & Fuel	209,957	204,397
Rent	826,294	539,627
Rates & Taxes	1,599,922	434,549
Repairs-Others	2,062,029	2,193,677
Travelling	14,589,371	18,203,344
Communication	1,683,121	2,095,479
Printing & Stationery	677,558	865,930

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	As at March 31,	
	2015	2014
Insurance	27,162	15,074
Consultancy Charges	22,639,925	28,744,380
Freight	1,549,319	1,889,717
Interest - Others	6,172,926	4,477,769
Bank Charges	77,702	115,442
Miscellaneous	181,780	129,880
Total	156,694,858	161,683,468

44 Joint Venture Disclosures

i. Interest in Joint Ventures

Name of the Jointly Controlled Entity	Country of Incorporation	Proportion of ownership interest
Arabian Dreams Hotels Apartments LLC, Dubai (since March 26, 2013)	United Arab Emirates	49%

ii. Interest in assets, liabilities, income, expenses and capital commitment with respect to the Jointly controlled entity is as follows:

(in ₹)

Particulars	2014-2015	2013-14
Liabilities:		
Short term borrowings	50,145,986	27,122,526
Other current liabilities	2,815,313	1,982,948
Assets:		
Short term loans and advances	9,625,810	7,790,008
Trade receivables	3,307,550	4,914,385
Cash and cash equivalents	4,640,149	801,759
Income	59,335,221	54,673,821
Expenses	77,436,897	72,840,122
Contingent liabilities / Capital commitments	NIL	NIL

45 Scheme of Amalgamation and Arrangement

- a i. In terms of the Scheme of Amalgamation and Arrangement, ('the Scheme'), the erstwhile Bell Tower Resorts Private Limited (a wholly owned subsidiary of the Company, which was engaged in the business of rendering resort facilities) (referred to as 'Transferor Company'), has been merged with the Company ('Transferee Company'), upon which the entire business, including all assets, liabilities and reserves of the Transferor Company stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under the 'pooling of interest method' and the assets and liabilities transferred have been recorded at their book values as on the Appointed Date.

The Scheme filed by the Company has been approved by the Hon'ble High Court of Bombay at Goa on May 2, 2014 and by the Hon'ble High Court of Madras on June 23, 2014 with the Appointed Date of April 1, 2013 and an effective date of July 31, 2014 ('the Effective Date'), being the date on which the copies of the orders of the Hon'ble High Court has been filed with the Registrar of Companies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The current year figures are to that extent not strictly comparable to those of previous year.

- ii. There was no allotment of shares to the Transferor Company’s equity shareholders since the Transferor Company was a wholly owned subsidiary of the Company.
- iii. Details of assets and liabilities and deficit in statement of profit and loss acquired on amalgamation and treatment of the difference between the Share capital of the transferrer company and cost of investment in the books of the Transferee Company are listed below :

Particulars	On the appointed date - As at April 1, 2013	
Value of assets and liabilities acquired at their book values as at the Appointed Date.:		
Fixed assets	464,113,654	
Other assets taken over	47,867,344	
Liabilities taken over	(768,670,917)	
Net Assets taken over	(256,689,919)	
Deficit in Statement of profit & loss adjusted in the Surplus in Statement of Profit & loss	456,076,659	
Share capital of the transferor company	A	199,386,740
Carrying value of investments in the books of the Transferee Company	B	505,452,424
Difference between A and B above adjusted in the 'Amalgamation Reserve Account' and the same transferred to 'Securities Premium Account' on the Appointed Date as per the Scheme approved .	A-B	306,065,684

- b The loss of the transferor company for the year ended March 31, 2014 has been adjusted against the Surplus in Statement of Profit and Loss at the beginning of the year.
- 46 Exceptional item represents a net debit of ₹ 218,797,194 written off consequent to adjustments relating to past periods, made to the balances carried forward under Receivables as at the year end, in the Deferred Service Tax Account, Deferred Interest Account and other accounts, aggregating to ₹ 737,373,047 (debit) and the Deferred Entitlement Fee Account amounting to ₹ 518,575,853 (credit). These adjustments are arising from the reconciliation exercise carried out by the company of these accounts necessitated, inter-alia, due to the migration of underlying data to the ERP system implemented in the previous financial years, and Management’s decision to recognize the entitlement fee commencing from the year of admission of each member as against from the year of entitlement.
- 47 On May 19 2014, Mahindra Holidays and Resorts USA Inc., wholly owned subsidiary of the company was dissolved voluntarily.
- 48 The figures for the previous year have been regrouped/reclassified to correspond with the current year’s classification/ disclosure.

For and on behalf of the Board of Directors

A. K. Nanda
Chairman

Kavinder Singh
Managing Director & CEO

S. Krishnan
Executive Director &
Chief Financial Officer

Dinesh Shetty
Company Secretary

Place: Mumbai
Date: May 18, 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and jointly controlled entity, comprising of the consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 9 subsidiaries, and 1 jointly controlled entity, whose financial statements reflect total assets of ₹2,694,995,863 as at 31st March, 2015, total revenues of ₹173,085,835 and net cash outflows amounting to ₹21,120,441 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹1,347,557,789 as at 31st March, 2015, total revenues of

₹179,737 and net cash flows amounting to ₹3,885,581 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹6,562,052 for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the holding company and subsidiary companies, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the holding company as on 31st March, 2015 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity.
 - ii. The Group, its associate and jointly controlled entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding company, and its subsidiary companies, incorporated in India during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership No 19521)

Mumbai, May 18, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Holidays & Resorts India Limited on the accounts for the year ended 31st March, 2015)

Our reporting on the Order includes 5 subsidiary companies, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) Having regard to the nature of the Company's business / activities / result, clause (v), (vi), (ix),(x) and (xi) of the Order are not applicable to the Company in the current year.
- (ii) In respect of its fixed assets of the holding company and subsidiary companies incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventory of the holding company and subsidiary companies incorporated in India:
 - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanation given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iv) The holding company and subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the holding company and the subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no continuing failure to correct major weakness in such internal control system has been observed.
- (vi) According to the information and explanations given to us in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Luxury Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Luxury Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of income tax, service tax and luxury tax and cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹)
Income Tax Act	Income Tax	Commissioner of Income Tax – Appeals	2010-11, 2011-12 & 2012-13	2,762,805,470
Income Tax Act	Income Tax	Commissioner of Income Tax Appeals – II Jaipur	2008-09	2,579,410
Finance Act	Service Tax	Central Excise & Service Tax Appellate Tribunal	2005 to 2011	601,217,070
		Commissioner (Appeals)	2011-12	1,053,030
Tamilnadu Luxury Tax Act	Luxury Tax	Deputy Commissioner – Appeals, Coimbatore	2002-03 to 2005-06, 2010-11, 2011-12	8,149,692
Kerala Luxury Tax Act	Luxury Tax	Deputy Commissioner – Appeals, Ernakulam	2008-09 to 2014-15	242,902,852

- (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group, its associate and jointly controlled entity have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) To the best of our knowledge and according to the information and explanations given to us and the

other auditors, no fraud by the holding company and its subsidiary companies incorporated in India and no material fraud on the holding company and its subsidiary companies incorporated in India has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

M.K. Ananthanarayanan
Partner
(Membership No 19521)

Mumbai, May 18, 2015

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

In ₹

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	880,262,510	880,241,730
Employee stock option outstanding		238,374	-
Reserves and Surplus	4	6,370,737,194	6,726,721,033
		7,251,238,078	7,606,962,763
Minority Interest		3,515,546	6,495,439
Non-Current liabilities			
Long term borrowings	5	1,173,814,250	203,266
Deferred tax liabilities (net)	6	614,275,273	589,831,266
Deferred Income - Entitlement fee (See note 2 (viii) (a))		15,086,632,248	13,930,730,395
Other long term liabilities	7	57,762,836	71,077,452
Long term provisions	8	50,867,323	41,609,141
		16,983,351,930	14,633,451,520
Current liabilities			
Short term borrowings	9	64,121,146	29,465,804
Trade payables	10	1,117,253,755	1,191,941,687
Deferred Income - Entitlement fee (See note 2 (viii) (a))		851,778,117	751,102,920
Deferred Income - Annual Subscription fee (See note 2 (viii) (b))		817,292,263	662,569,007
Other current liabilities	11	780,785,238	560,363,674
Short term provisions	12	429,161,080	417,658,468
		4,060,391,599	3,613,101,560
		28,298,497,153	25,860,011,282
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	13	8,908,168,690	8,260,158,753
Intangible assets		223,935,009	226,167,439
Capital work in progress	44	872,557,311	730,208,820
Intangible assets under development		73,088,979	45,531,430
		10,077,749,989	9,262,066,442
Goodwill on consolidation	36	1,183,216,229	1,427,161,620
Non-current investments	14	1,335,785,068	250,011
Long term loans and advances	15	1,845,444,118	1,677,293,617
Other Non-current assets	16	4,370,238,603	3,844,171,488
		7,551,467,789	5,521,715,116
Current assets			
Current investments	17	95,826,402	126,646,207
Inventories	18	59,839,816	102,774,533
Trade receivables	19	8,713,816,362	8,446,294,628
Cash and cash equivalents	20	220,563,274	483,308,168
Short term loans and advances	21	390,071,112	484,381,098
Other current assets	22	5,946,180	5,663,470
		9,486,063,146	9,649,068,104
		28,298,497,153	25,860,011,282

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

M. K. Ananthanarayanan
Partner

A. K. Nanda
Chairman

Kavinder Singh
Managing Director & CEO

S. Krishnan
Executive Director &
Chief Financial Officer

Dinesh Shetty
Company Secretary

Place: Mumbai
Date: May 18, 2015

Place: Mumbai
Date: May 18, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

In ₹

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
REVENUE			
Revenue from operations	23	8,118,820,506	8,163,708,715
Other income	24	177,588,560	139,346,176
Total Revenue		8,296,409,066	8,303,054,891
EXPENDITURE			
Employee benefits expense	25	1,683,891,168	1,752,577,533
Finance costs	26	25,850,839	10,795,362
Depreciation and amortisation expense	13	663,507,229	393,584,236
Other expenses	27	4,631,273,902	4,809,089,634
Total Expenditure		7,004,523,138	6,966,046,765
Profit before exceptional item and tax		1,291,885,928	1,337,008,126
Exceptional item	46	218,797,194	-
Profit before tax		1,073,088,734	1,337,008,126
Less : Tax expense			
- Current tax		192,650,000	291,000,000
- Overseas tax		549,975	234,331
- Deferred tax		77,162,222	177,853,979
Profit after tax before share of Profit/(Loss) of Associate and Minority Interest		802,726,537	867,919,816
Add : Share of Profit of Associate		6,562,052	-
Profit after tax before Minority Interest		809,288,589	867,919,816
Minority Share of (Profit)/Loss		2,979,893	2,373,230
Profit for the year		812,268,482	870,293,046
Earnings per share			
Basic		9.23	9.90
Diluted		9.23	9.90
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place: Mumbai
Date: May 18, 2015

For and on behalf of the Board of Directors

A. K. Nanda
Chairman

S. Krishnan
Executive Director &
Chief Financial Officer

Place: Mumbai
Date: May 18, 2015

Kavinder Singh
Managing Director & CEO

Dinesh Shetty
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

In ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	1,291,885,928	1,337,008,126
Adjustments :		
Depreciation	663,507,229	393,584,236
Finance costs	25,850,839	10,795,362
Interest income	(6,882,464)	(27,186,833)
Dividend income	(16,477,181)	(37,411,294)
Gain on sale of investment in subsidiaries	-	(69,846,116)
Loss on fixed assets sold/scrapped (net)	3,755,868	3,295,302
Bad debts	-	1,886,810
Provision for doubtful debts	14,056,243	7,942,068
	683,810,534	283,059,535
Operating profit before working capital changes	1,975,696,462	1,620,067,661
Changes in working capital :		
Deferred income - Entitlement Fee & Annual Subscription Fee	1,411,300,306	1,549,509,691
Trade and other receivables	(969,077,945)	(2,758,630,495)
Inventories	45,829,401	(30,465,953)
Trade and other payables	(45,789,343)	361,512,398
	442,262,419	(878,074,359)
Income taxes paid	(398,019,871)	(410,757,889)
NET CASH FROM OPERATING ACTIVITIES	2,019,939,010	331,235,413
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including capital work in progress and expenditure pending allocation	(1,798,652,923)	(1,256,033,029)
Proceeds from sale of fixed assets	12,209,009	2,482,852
Purchase of investments	(1,328,973,005)	(14,242,728)
Sale of investment in subsidiaries	-	328,053,267
Bank balance not considered as part of cash and cash equivalents	(4,133,328)	(1,224,549)
Interest received	6,599,754	22,188,446
Dividend income	16,477,181	37,411,294
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(3,096,473,312)	(881,364,447)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

In ₹

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayments of borrowings	1,208,266,326	(28,123,458)
Dividends paid	(355,054,872)	(355,057,356)
Dividend distribution tax paid	(60,353,226)	(60,353,226)
Proceeds from issue of equity shares through IPP	-	1,055,976,420
Loan recovered from ESOP Trust	-	3,000,000
Finance costs	(25,850,839)	(10,795,362)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	767,007,389	604,647,018
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(309,526,913)	54,517,984
CASH AND CASH EQUIVALENTS :		
Opening balance	574,788,764	520,270,780
Addition to opening Cash and Cash equivalents due to acquisition (Competent Hotels Private Limited) (Refer Note No. 37)	11,828,886	-
Total	586,617,650	520,270,780
Closing balance	277,090,737	574,788,764
	(309,526,913)	54,517,984
Reconciliation of Cash and Cash equivalents with the Consolidated Balance Sheet		
Cash and cash equivalents as per Balance Sheet	220,563,274	483,308,168
Less: Bank balances not considered as Cash and cash equivalents	39,298,939	35,165,611
Net Cash and cash equivalents	181,264,335	448,142,557
Add: Current investments considered as part of Cash and cash equivalents (Investment in units of Mutual Funds)	95,826,402	126,646,207
Cash and cash equivalents at the end of the year	277,090,737	574,788,764
See accompanying notes forming part of the financial statements		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place: Mumbai
Date: May 18, 2015

For and on behalf of the Board of Directors

A. K. Nanda
Chairman

S. Krishnan
Executive Director &
Chief Financial Officer

Place: Mumbai
Date: May 18, 2015

Kavinder Singh
Managing Director & CEO

Dinesh Shetty
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1.1 Corporate Information

The company was incorporated on September 20, 1996, and is in the business of selling vacation ownership and providing holiday facilities.

1.2 Basis of preparation of Consolidated Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act,

2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Also Refer Note No. 23.1 regarding recognition of entitlement fee.

The consolidated financial statements present the consolidated accounts which consist of accounts of the Company and that of the following subsidiaries.

Name of the company	Country of incorporation	Extent of Holding as at March 31,		Subsidiary/Jointly controlled entity/ Associate since
		2015	2014	
Subsidiary Companies				
Mahindra Holidays & Resorts USA Inc.**	USA	100.00%	100.00%	November 4, 2003
Bell Tower Resorts Private Limited#	India	100.00%	100.00%	December 21, 2011
Mahindra Hotels & Residences India Limited	India	100.00%	100.00%	April 26, 2007
Heritage Bird (M) Sdn Bhd	Malaysia	100.00%	100.00%	March 3, 2008
Divine Heritage Hotels Private Limited	India	100.00%	100.00%	August 9, 2012
Gables Promoters Private Limited	India	100.00%	100.00%	August 24, 2012
Holiday on Hills Resorts Private Limited	India	100.00%	100.00%	October 25, 2012
MH Boutique Hospitality Limited *	Thailand	49.00%	49.00%	November 2, 2012
Infinity Hospitality Group Company Limited *	Thailand	49.00%	49.00%	November 5, 2012
Competent Hotels Private Limited	India	100.00%	NA	June 18, 2014
MHR Holdings (Mauritius) Limited	Mauritius	100.00%	NA	July 11, 2014
Covington S.a.r.l##	Luxembourg	100.00%	NA	July 17, 2014
Jointly controlled entity				
Arabian Dreams Hotels Apartments LLC	UAE	49.00%	49.00%	March 26, 2013
Associate				
Holiday Club Resorts Oy	Finland	22.34%	NA	November 23, 2014

* By virtue of management control.

** Mahindra Holidays and Resorts USA Inc. has been dissolved voluntarily on 19th May, 2014.

Bell Tower Resorts Private Limited is merged with the Company on 31st July, 2014.

Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Ltd which is the direct subsidiary of the Company.

The financial statements of subsidiaries, associate and jointly controlled entity used in the consolidation are drawn up to the same reporting date as that of the holding company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1.2a. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financials Statements to Schedule III to the Companies Act, 2013

S No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
1	Parent :				
	Mahindra Holidays & Resorts India Limited	61.59%	4,468,313,336	98.06%	796,485,235
2	Subsidiaries :				
	a. Indian :				
	Divine Heritage Hotels Resorts (P) Ltd	4.88%	354,023,001	-5.49%	(44,620,181)
	Holiday on Hills Resorts (P) Ltd	11.16%	809,902,849	-2.04%	(16,559,306)
	Competent Hotels Private Limited	6.38%	462,989,588	1.80%	14,627,840
	Gables Promoters (P) Ltd	4.77%	346,139,629	-1.79%	(14,514,387)
	Mahindra Hotels and Residences India Ltd	0.00%	(43,444)	-0.01%	(80,944)
	b. Foreign :				
	Heritage Bird (M) Sdn Bhd	1.06%	77,154,673	-0.46%	(3,729,470)
	MH Boutique Hospitality Ltd	0.94%	68,101,119	-0.10%	(818,287)
	Infinity Hospitality Group Company Ltd	6.78%	492,081,461	-2.79%	(22,638,556)
	Covington S.a.r.l.	-9.02%	(654,219,052)	8.65%	70,247,546
	MHR Holdings (Mauritius) Ltd	-6.70%	(486,211,763)	8.06%	65,475,537
	Mahindra Holidays & Resorts USA Inc	0.00%	-	-0.12%	(996,149)
3	Minority interests in all subsidiaries	0.05%	3,515,546	0.37%	2,979,893
4	Associates (Investment as per the equity method)				
	a. Foreign :				
	Holiday Club Resorts Oy	17.84%	1,294,553,232	0.81%	6,562,052
5	Joint ventures (as per proportionate consolidation)				
	a. Foreign :				
	Arabian Dreams Hotels Apartments LLC	0.25%	18,453,448	-4.94%	(40,152,339)
	TOTAL	100%	7,254,753,624	100%	812,268,483

Investment in Guestline Hospitality Management and Development Services Limited (GHMDSL):

The Company holds 25000.7% participating optionally convertible preference shares of ₹10/- each in GHMDSL amounting to ₹ 250,000, out of its total share capital (including equity share capital) of ₹500,600 (49.94%). The Company has not considered the financials of GHMDSL for consolidation since the above investment is acquired and held exclusively with a view to its subsequent disposal in the near future.

1.3 Principles of Consolidation:

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and any unrealised gains or losses on the balances remaining within the group in accordance with Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements" notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006.

The difference between the cost of investment in the subsidiaries over the Company's portion of equity of the subsidiary on the date of investment is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

Goodwill on consolidation is tested for impairment on an annual basis.

The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. Also refer note 2 (i).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The Company's interest in the Jointly Controlled entity is consolidated as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures", on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealized profits/losses on intra group transactions.

The consolidated financial statements include the share of profit of an associate company which has been accounted for using equity method as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit of the associate company has been added to the cost of investments.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/ loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

2 Significant Accounting Policies

(i) Basis for preparation of accounts:

The consolidated financial statements of Mahindra Holidays & Resorts India Limited ('the Company'), its subsidiaries and jointly controlled entity have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Also Refer Note No. 23.1 regarding recognition of entitlement fee.

(ii) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences

between the actual results and the estimates are recognised in the years in which the results are known / materialise.

(iii) Inventories:

Inventories are carried at lower of cost and net realisable value. Cost is determined on First-in-First-out basis. Cost includes the purchase price, non refundable taxes and delivery handling cost. Net realisable value is estimated at the expected selling price less estimated costs of procurement and sales.

(iv) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(v) Cash flow statements:

Cash flows are reported using the indirect method, whereby profit/(loss) before extra-ordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(vi) Depreciation and amortisation:

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

- (a) Leasehold land and buildings are amortised over the period of lease.
- (b) Floating cottages grouped under building are depreciated over the useful life of 25 years.
- (c) Furniture and Fixtures in 'Club Mahindra Holiday World' are amortised over a period of 36 months from the date of capitalisation.
- (d) Motor vehicles provided to employees are depreciated over a period of 48 months. Other assets provided to employees are depreciated over a period of 60 months.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- (a) Expenditure incurred towards software is amortised over a period of 36 months.
- (b) Expenditure on product design and development & web portal is amortised over the estimated useful life of the asset i.e. 3 / 4 years.
- (c) Non- compete fee is amortised over a period of 5 years.

The tangible/intangible assets of overseas operations have also been depreciated based on useful life, estimated by the respective managements on a straight line basis.

Assets individually costing less than ₹ 5000 each are fully depreciated in the year of capitalisation.

The estimated useful life of the intangible asset and the amortisation period are reviewed at the end of the each financial year and the amortisation method is revised to reflect the changed pattern.

During the year, Competent Hotels Private Limited changed the method of depreciation from written down value method to straight line method with retrospective effect to be in line with the Company's depreciation policy. Consequently, profit for the period is higher by ₹ 290.11 lakhs.

(vii) Expenditure during construction period:

Revenue expenses incurred in connection with construction of resorts insofar as such expenses relate to the period prior to the date the resort is put to use are treated as part of project cost and capitalised.

(viii) Revenue recognition:

- (a) The Company's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis. Admission fee, which is non-refundable, is recognized as income on admission of a member. Entitlement fee (disclosed under Deferred income – Entitlement fee), which entitles the vacation ownership members for the vacation ownership facilities is recognized as income equally over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member), commencing from the year of admission of each member. Requests for cancellation of membership are accounted for when it is accepted by the Company. In respect of instalments considered doubtful of recovery by the

management, the membership is treated as cancelled and related revenues are de-recognised.

- (b) Annual subscription fee dues from members are recognised as income over the period of subscription as per terms agreed with the members. Subscription pertaining to the period beyond the date of the Balance Sheet is grouped under Deferred Income.
- (c) Interest on instalment sales is recognised as income on an accrual basis.
- (d) Income from resorts includes income from room rentals, food and beverages, etc. and is recognised when services are rendered.
- (e) Securitised assets are derecognised as the contractual rights therein are transferred to the third party. On being derecognised, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation.
- (f) Income from travel services includes commission on tickets/hotel booking, service charges from customers, etc. and is recognised when services are rendered.

(ix) Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(x) Fixed assets:

Fixed assets are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any. Cost comprises of purchase price and other directly attributable costs of bringing the asset to its working condition for its intended use and includes interest on moneys borrowed for construction/acquisition of fixed assets up to the period the assets are ready for use. Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(xi) Foreign currency transactions and translations:

Integral Operations :

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the statement of profit and loss.

Non-integral Operations :

In case of non integral operations the exchange differences are accounted under Foreign Currency Translation Reserve and is recognised as profit or loss in the same period in which the gain or loss on disposal of net investment is recorded.

(xii) Investments:

Long-term investments, other than in associate company are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. The investment in associate company is valued based on the equity method.

(xiii) Employee benefits:

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

(a) Short term employee benefit plans

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

(b) Long term employee benefit plans

The Company has defined contribution and defined benefit plans. The plans are financed by the Company and in the case of some defined contribution plans employees also contribute to the plan.

Defined Contribution Plan

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Employee Stock Option Scheme:

The compensation cost of stock option granted to employees is measured by Intrinsic Value Method. The intrinsic value, which is the excess of market price of the underlying equity shares as of the date of grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(xiv) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

(xv) Leases:

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

(xvi) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xvii) Taxes on income:

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Tax expense comprises both current and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date.

(xviii) Impairment of assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists the recoverable amount of such asset is estimated and impairment is recognised, if the carrying amount of these assets exceed their recoverable amount. The recoverable amount is

the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present values based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in the case of re-valued asset.

(xix) Provision & contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the notes.

(xx) Share issue expenses:

Expenses incurred in connection with issue of share capital are adjusted against securities premium account.

(xxi) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(xxii) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

(xxiii) Operating cycle:

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 3 : Share Capital

Particulars	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014	As At March 31, 2014
	No. of shares	in ₹	No. of shares	in ₹
Authorised : 100,000,000 equity shares of ₹ 10 each	100,000,000	1,000,000,000	100,000,000	1,000,000,000
	100,000,000	1,000,000,000	100,000,000	1,000,000,000
Issued, Subscribed & Paid up : Equity : (Net of shares allotted to ESOP Trust but not exercised by employees) 88,780,856 (previous year 84,639,772) equity shares of ₹ 10 each fully paid	88,780,856	887,808,560	84,639,772	846,397,720
Add: NIL (previous year 41,41,084) shares issued during the year through Institutional Placement Programme.	-	-	4,141,084	41,410,840
Less: 754,695 (previous year 756,683) equity shares of ₹ 10 each fully paid up allotted to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust but not exercised by employees.	754,605	7,546,050	756,683	7,566,830
	88,026,251	880,262,510	88,024,173	880,241,730

Notes:

- 3 a) The above includes 48,995,228 equity shares allotted as fully paid-up by way of Bonus shares by capitalisation of balance in Statement of Profit & Loss and General Reserve on November 24, 2007 in the ratio of 5 equity shares for every 3 shares held.
- 3 b) Terms / rights attached to equity shares:
- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.
 - The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
 - For the year ended March 31, 2015, the amount of dividend proposed to be distributed to equity shareholders is ₹ 355,123,424 at ₹ 4 per share (Previous year ₹ 355,123,424 at ₹ 4 per share).
 - Repayment of capital will be in proportion to the number of equity shares held.
- 3 c) Shares in the Company held by each shareholder holding more than 5% shares specifying the number of shares held.

Name of share holder	No. of shares	% held as at March 31, 2015	No. of shares	% held as at March 31, 2014
Mahindra & Mahindra Limited (Holding Company)	66,585,642	75.00%	66,585,642	75.00%

- 3 d) The reconciliation of the number of shares outstanding as at March 31, 2015 and March 31, 2014 is set out below:-

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	In ₹	No. of Shares	In ₹
No of Shares at the beginning	88,024,173	880,241,730	83,880,884	838,808,840
Add: Shares issued - pursuant to an Institutional Placement Programme (IPP)	-	-	4,141,084	41,410,840
Add: Shares issued on exercise of employee stock options	2,078	20,780	2,205	22,050
Number of shares at the end	88,026,251	880,262,510	88,024,173	880,241,730

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- 3 e) i) Under the Employee Stock Option Scheme (ESOS 2006) equity shares are allotted to the Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust (the trust) set up by the company. The trust holds these shares for the benefit of the eligible Employees/Directors as defined under the scheme and transfer the shares to them as per the recommendation of the remuneration committee.
- ii) During the year the Company formulated the Employee Stock Option Scheme (ESOS 2014), under which the company proposed to issue and allot the shares either directly or to the existing Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust (the trust). To the extent allotted, the trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.
- iii) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	ESOS 2006 - Equity settled option plan administered through Employee Stock Option Trust. ESOS 2014 - Equity settled option plan issued directly/administered through Employee Stock Option Trust.
Method of Settlement	By issue of shares at Exercise Price.

Particulars	Date of Grant	Exercise price (in ₹)	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	19.50	4	56,700			
Grant V (ESOS 2006)**	11/01/2008	52.00	52.00	4	261,590			
Grant VI (ESOS 2006) #	21/02/2012	370.00	-	4	400,000			
Grant VII (ESOS 2006) ##	21/02/2012	323.00	-	4	186,500			
Grant VIII (ESOS 2006)**	21/02/2013	323.00	-	4	130,000			
Grant IX (ESOS 2006)**	29/01/2014	253.00	-	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	-	4	620,000		refer note (b) below	

Note (a) 35%,30%,15%,10% and 10% on expiry of 12,24,36,48 and 60 months from the date of grant respectively.

Note (b) Minimum of 100 and a maximum of all the options vested but not exercised till that date.

- iv) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on 1.4.2014	Options granted	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on 31.03.2015	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006							
Grant II (ESOS 2006)	30/03/2007	3,735	-	-	-	2,335	1,400	1,400
Grant III (ESOS 2006)	11/01/2007	4,234	-	-	-	-	4,234	4,234
Grant V (ESOS 2006)**	11/01/2008	20,916	-	-	2,078	-	18,838	18,838
Grant VI (ESOS 2006) #	21/02/2012	200,000	-	-	-	-	200,000	200,000
Grant VII (ESOS 2006) ##	21/02/2012	107,750	-	20,375	-	-	107,750	87,375
Grant VIII (ESOS 2006)**	21/02/2013	130,000	-	32,500	-	-	130,000	65,000
Grant IX (ESOS 2006)**	29/01/2014	35,000	-	8,750	-	-	35,000	8,750
Grant I (ESOS 2014)	22/01/2015	-	620,000	-	-	-	620,000	-
Total		501,635	620,000	61,625	2,078	2,335	1,117,222	385,597

** Issued out of lapsed options.

Out of the above 90,000 shares have been issued out of lapsed options.

Out of the above 86,500 shares have been issued out of lapsed options.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

- v) In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the shares allotted to the trust including bonus shares but not exercised by the employees have been reduced from the share capital by ₹ 7,546,050 and securities premium account reduced by ₹ 145,180,792. The said shares will be added to the issued share capital as and when the trust issues the shares to the concerned persons on their exercising the option and till such shares are issued the amount received from the trust is disclosed under current liabilities.
- vi) The company has adopted the intrinsic value method in accounting for employee cost on account of ESOS for Grant I (ESOS 2006), Grant II (ESOS 2006), Grant III (ESOS 2006) and Grant V (ESOS 2006) and for all the other grants fair value method adopted. The intrinsic value of the shares granted under Grant I (ESOS 2006), Grant II (ESOS 2006), Grant III (ESOS 2006) and Grant V (ESOS 2006) based on the valuations obtained from an independent valuer is ₹ 16 per equity share as on March 31, 2006, ₹ 52 per equity share as on January 1, 2007, August 31, 2008 and November 1, 2008, based on the Discounted Cash Flow Method. The fair value of the shares granted under Grant VI (ESOS 2006), Grant VII (ESOS 2006), Grant VIII (ESOS 2006) and Grant IX (ESOS 2006) based on the fair value market price is ₹ 370, ₹ 323, ₹ 323 and ₹ 253 per share respectively. As the difference between the intrinsic value/fair value and the exercise price per share is ₹ Nil, no employee compensation cost has been charged.
- vii) In respect of the options granted under the Grant I (ESOS 2014) of Employee Stock Option Plan, in accordance with guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortised on a straight line basis over the period between the date of grant of options and the eligible dates for conversion into equity shares. Consequently, employee compensation cost include ₹ 238,374 (previous year nil) being the amortisation of deferred employee compensation.
- viii) Fair Value of options based on Black Scholes option pricing model:

The fair value of options based on the valuation of the independent valuer for Grant I (ESOS 2006), Grant II (ESOS 2006), Grant III (ESOS 2006) and Grant V (ESOS 2006) as of the respective dates of grant i.e. July 15, 2006, March 30, 2007, November 1, 2007 and November 1, 2008 is ₹ 4.28, ₹ 16.36, ₹ 16.55 and ₹ 16.04 respectively.

The fair value of options based on the valuation of the independent valuer as of the respective dates of grant i.e. February 21, 2012 is ₹113.81 for Grant VI (ESOS 2006), ₹ 129.93 for Grant VII (ESOS 2006), February 21, 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), January 29, 2014 is ₹ 83.75 for Grant IX (ESOS 2006) and January 22, 2015 is ₹ 97.24 for Grant I (ESOS 2014).

Had the company adopted the fair value method in respect of options granted, the total amount that would have been amortised over the vesting period is ₹ 167,679,000 and the impact on the financial statements would be:

(in ₹)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Increase in employee compensation cost	6,339,644	1,026,858
Decrease in profit after tax	6,339,644	1,026,858
Decrease in basic & diluted earnings per share	(0.07)	(0.01)

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	Grant I (ESOS 2006)	Grant II (ESOS 2006)	Grant III (ESOS 2006)	Grant V (ESOS 2006)	Grant VI & VII (ESOS 2006)	Grant VIII (ESOS 2006)	Grant IX (ESOS 2006)	Grant I (ESOS 2014)
Grant Date	15/07/2006	30/03/2007	11/01/2007	11/01/2008	21/02/2012	21/02/2013	29/01/2014	22/01/2015
Risk free interest rate	7.82%	7.92%	7.72%	7.34%	8.00%	7.78%	8.81%	7.74%
Expected life	4.5	5	5	5	6	3.5	3.5	3.5
Expected volatility	Nil	Nil	Nil	Nil	0.33	0.31	0.29	0.29
Expected dividend yield	Nil	Nil	Nil	Nil	₹ 4.00	1.38%	1.66%	1.48%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 4 : Reserves & Surplus

In ₹

Particulars		As at	As at
		March 31, 2015	March 31, 2014
Capital Reserve		1,474,577	1,474,577
Securities Premium Account			
As per last balance sheet		2,703,948,741	1,720,261,044
Premium on shares issued during the period through Institutional Placement Programme		-	1,014,565,580
Less: Share issue expenses on account of Institutional Placement Programme		-	30,877,883
Less: Goodwill written off on amalgamation of BTRPL (Refer Note No. 45)	635,437,438		
Less: Deficit relating BTRPL as on the date of acquisition (included in the Goodwill above) adjusted in Surplus in the Statement of profit & loss.	(329,371,754)		
		306,065,684	-
		2,397,883,057	2,703,948,741
Less: Premium on shares issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust but not exercised by employees (see note below)		145,180,792	145,185,862
		2,252,702,265	2,558,762,879
Foreign Exchange Fluctuation Reserve			
As per last balance sheet		-	336,314
Less: Deductions due to sale of interest in Subsidiary		-	336,314
		-	-
General Reserve			
As per last balance sheet		686,134,032	591,599,365
Add : Transfer from Profit and Loss Account		79,024,219	94,534,667
Add : Bonus shares issued to the ESOP Trust but not exercised by employees (see note below)		2,156,870	2,169,200
		767,315,121	688,303,232
Surplus in Statement of Profit & Loss			
As per last balance sheet		3,478,180,345	3,117,898,616
Less: Deficit relating BTRPL as on the date of acquisition (included in the Goodwill above) adjusted in Surplus in the Statement of profit & loss.		329,371,754	-
Add: Profit for the current year		812,268,482	870,293,046
Less: Depreciation adjustment consequent to transition to Schedule II of The Companies Act 2013 net of deferred tax of ₹ 52,836,157 (refer note no. 32)		105,389,426	-
		3,855,687,647	3,988,191,662
Appropriations :			
- Transfer to General Reserve		79,024,219	94,534,667
- Proposed Dividend		355,123,424	355,123,424
- Tax on Proposed Dividend		72,294,773	60,353,226
		506,442,416	510,011,317
		3,349,245,231	3,478,180,345
		6,370,737,194	6,726,721,033

Note :

Previous years' figures have been regrouped to reflect the re-alignment of options granted between normal and bonus shares with consequential adjustments to Securities Premium Account, General Reserve Account and amounts due from ESOP Trust Account.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 5 : Long Term Borrowings

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Secured :		
- Term loan from bank (repaid during the year)	-	203,266
Unsecured :		
- Term loan from bank*	734,056,750	-
- Term loan from others**	439,757,500	-
	1,173,814,250	203,266

Notes:

- * The Company has given an unconditional and irrevocable corporate guarantee against the unsecured loans.
- * The unsecured term loan from bank (HSBC Bank, (Mauritius)) is a foreign currency loan of EUR 10,850,000 (INR 734,056,750) carrying an interest rate of 3.45% p.a and repayable in 2019-2020.
- ** The term loan from others is an interest free foreign currency loan from RCI.

Note 6 : Deferred Tax Liability (net)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax asset		
Provision for doubtful receivables	8,270,396	3,344,993
Provision for compensated absences	17,814,649	14,517,169
Others	22,149,120	17,103,041
	48,234,165	34,965,203
Deferred tax liability		
Difference between book and tax depreciation	662,391,496	624,796,469
Addition to opening deferred tax liability (net) due to acquisition (Competent Hotels Private Limited) (Refer Note No. 37)	117,942	-
	614,275,273	589,831,266
Deferred tax liability (net)		
Reconciliation of Deferred Tax expenses for the year		
Difference between the deferred tax liability (net) as at the beginning and end of the year as above.	24,444,007	
Addition to opening deferred tax liability (net) due to acquisition (Competent Hotels Private Limited) (Refer Note No. 37)	(117,942)	
Deferred tax impact netted off from depreciation on tangible fixed assets on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus (Refer Note No. 32)	52,836,157	
Deferred tax expense for the year as per statement of Profit and Loss	77,162,222	

Note 7 : Other Long Term Liabilities

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Others:		
Retention monies payables on purchase of fixed assets*	57,762,836	71,077,452
	57,762,836	71,077,452

*Due after one year from the date of the Balance Sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 8 : Long Term Provisions

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Gratuity	663,604	604,451
Compensated absences	50,203,719	41,004,690
	50,867,323	41,609,141

Note 9 : Short Term Borrowings

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Secured :		
Loans repayable on demand		
- Cash credit from Banks	64,121,146	29,465,804
	64,121,146	29,465,804

Loans from banks are secured by an exclusive charge on inventories, receivables and other moveable assets, both present and future.

Note 10 : Trade Payables

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables :		
Total outstanding dues to entities other than micro and small enterprises	1,117,253,755	1,191,941,687
	1,117,253,755	1,191,941,687

Notes:

- The particulars regarding dues to Micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. There are no dues payable to such parties as at the balance sheet date.
- Trade payable are dues in respect of goods purchased and services rendered in the normal course of business.

Note 11 : Other Current Liabilities

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Capital creditors	236,761,005	48,585,689
Dues to Statutory Authorities (PF,ESI & other taxes)	86,953,968	55,002,232
Gratuity	8,008,819	7,107,076
Unpaid dividend*	249,008	180,456
Other payables**	448,812,438	449,488,221
	780,785,238	560,363,674

Notes:

- There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund during the year.
- Other payables mainly represent the Commission payable to non-whole time directors, amounts received from ESOP Trust on issue of shares, provision for estimated cost of offers made to members on acquisition, deferred rent on rent equalization under AS-19, renovation and pre-opening expenses in respect of resorts.

Note 12 : Short Term Provisions

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Compensated absences	1,742,883	2,181,818
Proposed Dividend	355,123,424	355,123,424
Tax on Proposed Dividend	72,294,773	60,353,226
	429,161,080	417,658,468

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 14 : Non current investments (At cost unless otherwise specified)

(in ₹)

Particulars	As At March 31, 2015	As At March 31, 2014
Long term Investments (Un-Quoted) :		
Investment in Equity Shares (non trade, fully paid up) :		
Mahindra World City Developers Ltd. (1 equity share of ₹ 10/- each)	10	10
Mahindra Hotels and Resorts Limited (20,011 shares of ₹ 10/- each acquired during the year)	1	1
Holiday Management Oy, Finland (23,248 shares of Euro 3/-each)	40,981,825	-
Investment in Preference Shares (non trade fully paid up):		
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each) (Refer Note (a) below)	250,000	250,000
Investment in Associate :		
Holiday Club Resorts Finland (707,777, shares of Euro 3/-each (Refer Note No. 40)	1,294,553,232	-
	1,335,785,068	250,011
Aggregate value of unquoted investments	1,335,785,068	250,011

Note:

- a) The preference shares of Guestline Hospitality Management and Development Services Limited will be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz 14.01.2003 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10/- each anytime after thirty six months from the date of allotment.

Note 15 : Long Term Loans & Advances (Unsecured, considered good)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Payment towards Income Tax (net of provision)	1,140,382,217	935,680,262
Security deposits	443,129,306	385,735,493
Capital advances	261,932,595	355,877,862
	1,845,444,118	1,677,293,617

Note 16 : Other Non-Current Assets (Unsecured, considered good)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Long term trade receivables due for payment after one year from the date of Balance Sheet	4,370,238,603	3,844,171,488
	4,370,238,603	3,844,171,488

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 17 : Current investments (At lower of cost and fair value)

(in ₹)

Particulars	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014	As At March 31, 2014
	Units	Value	Units	Value
Investment in Mutual Funds (unquoted)				
Units :				
Birla Sun Life Cash Plus - Reg - Dly Dividend	-	-	35,110	3,522,513
Birla Sun Life Savings Fund	200,463	20,105,882	345	34,616
DWS Ultra Short Term Fund - DDRE	2,095,991	20,997,428	-	-
DWS Insta Cash Plus Fund - Super IP - Dly Dividend	-	-	13,589	1,364,159
ICICI Prudential Ultra Short Term - Reguar Plan-DDRE	-	-	256,843	27,157,515
ICICI Prudential Liquid Reg DDRE	125,488	12,556,820	-	-
IDFC Ultra Short Term Fund - Reg - Dly Dividend	-	-	3,673,160	36,823,427
Kotak Liquid Scheme - Plan A - Dly Dividend	-	-	2,795	3,417,235
Kotak Floater Long Term	-	-	2,001,554	20,175,266
UTI Treasury Advantage Fund - IP - Dly Dividend	-	-	1,606	1,609,503
Sundaram Money Fund - Reg - Dly Dividend	-	-	344,289	3,475,697
Franklin India Ultra Short Bond Fund - SIP-DDRE	2,109,683	21,264,132	-	-
Reliance Medium Term Fund - DDRE	1,222,641	20,902,140	-	-
Templeton India Ultra Short Bond Fund - Super IP - Dly Dividend	-	-	2,277,039	22,876,495
Templeton India TMA - Super IP - Dly Dividend	-	-	6,185	6,189,781
		95,826,402		126,646,207
Aggregate value of unquoted investments		95,826,402		126,646,207

Note 18 : Inventories (At lower of cost & net realisable value)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Stores		
Food, beverages and smokes	14,953,635	12,255,511
Operating supplies	44,886,181	90,519,022
	59,839,816	102,774,533

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 19 : Trade Receivables (Unsecured)

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Receivables outstanding for more than six months from the date they are due for payment		
Considered good	3,660,727,147	2,998,227,707
Considered doubtful	11,397,352	9,841,109
Less: Allowance for trade receivables	11,397,352	9,841,109
	<u>3,660,727,147</u>	<u>2,998,227,707</u>
Others (Refer note below)	5,053,089,215	5,448,066,921
	<u>5,053,089,215</u>	<u>5,448,066,921</u>
	<u>8,713,816,362</u>	<u>8,446,294,628</u>

Note:

Others include outstanding for less than six months from the date they are due for payment and amounts due within one year from the date of Balance Sheet.

Note 20 : Cash & Cash equivalents

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash on hand	7,142,272	13,779,470
	<u>7,142,272</u>	<u>13,779,470</u>
Balances with Banks:		
Current accounts	156,318,279	229,098,499
Deposit account - with maturity of less than 3 months	17,803,784	205,264,588
Deposit account - others	5,503,902	2,503,902
Earmarked accounts:		
Margin money deposits	33,469,453	32,404,677
Unpaid dividend accounts	325,584	257,032
	<u>213,421,002</u>	<u>469,528,698</u>
	<u>220,563,274</u>	<u>483,308,168</u>

Note 21 : Short Term Loans & Advances (Unsecured, considered good)

(in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Inter corporate deposits, loan & advances to joint venture		39,712,703		26,707,557
Loan to ESOP Trust		125,000,000		125,000,000
Balances with Statutory Authorities-Service Tax		1,094,810		62,192,279
Advances to suppliers /employees :				
Considered good	87,882,712		178,916,067	
Considered doubtful	12,500,000		-	
Less: Provision for doubtful advances	12,500,000		-	
		<u>87,882,712</u>		<u>178,916,067</u>
Others (claims and prepaid expenses)		136,380,887		91,565,195
		<u>390,071,112</u>		<u>484,381,098</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 22 : Other Current Assets

(in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on Inter corporate deposits, loans and advances:		
Others	5,946,180	5,663,470
	5,946,180	5,663,470

Note 23 : Revenue from operations

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from operations :		
Income from operations :		
Income from sale of Vacation Ownership (refer note no. 23.1 below)	4,441,799,715	4,826,007,078
Income from Resorts :		
- Room rentals	231,899,936	358,008,909
- Food and beverages	926,264,921	788,079,632
- Wine and liquor	30,921,292	32,441,418
- Others	298,832,759	287,988,585
Annual Subscription Fee	1,556,098,019	1,327,343,011
Income from travel services (refer note no. 23.2 below)	22,795,344	66,935,150
	7,508,611,986	7,686,803,783
Other operating income :		
Interest Income on Instalment sales	597,985,963	455,981,405
Income from securitization (refer note no. 28)	6,575,718	3,776,696
Miscellaneous income	5,646,839	17,146,831
	610,208,520	476,904,932
	8,118,820,506	8,163,708,715

Note:

23.1 Pursuant to entitlement fee being recognised from the year of admission of each member as against from the year of entitlement, there has been an increase in revenue in current year amounting to ₹ 73,068,129. Also refer note no. 46 for adjustments relating to past periods.

23.2 These services have been rendered only upto October 31, 2014.

Note 24 : Other income

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Dividend income :		
Dividend income from current investments	16,477,181	37,411,294
Dividend income from non-current investments	180,236	-
Interest income :		
On deposits with bank	3,751,573	24,462,220
On others	3,130,891	2,724,613
Gain on exchange fluctuation (net)	154,048,679	4,901,933
Gain on sale of investment in Subsidiaries (On sale of Subsidiary in Austria)	-	69,846,116
	177,588,560	139,346,176

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 25 : Employee benefits expense

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	1,486,896,946	1,504,537,533
Contribution to Provident & other funds	62,522,586	77,258,242
Staff welfare	134,471,636	170,781,758
	1,683,891,168	1,752,577,533

Note 26 : Finance costs

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest on :		
Long term borrowings	23,350,717	-
Short term borrowings	2,500,122	10,795,362
	25,850,839	10,795,362

Note 27 : Other expenses

(in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Food Beverages and smokes consumed		
Opening stock	12,255,511	22,135,252
Addition on acquisition (Competent Hotels Private Limited) (refer note 37)	2,894,684	-
Add: Purchases	284,898,906	285,087,333
	300,049,101	307,222,585
Less: Closing stock	14,953,635	12,255,511
	285,095,466	294,967,074
Operating supplies	352,169,726	388,392,488
Power and fuel	305,819,787	301,493,318
Rent (including lease rentals)	527,194,056	576,295,307
Rates and taxes	42,666,468	48,779,497
Insurance	33,391,765	21,786,970
Repairs and maintenance :		
- Buildings and Resorts	120,549,398	129,921,886
- Office equipment	35,292,856	31,284,802
- Others	235,994,575	186,190,117
Communication	90,854,980	78,073,904
Software charges	20,290,626	19,079,519
Consultancy charges	139,879,465	130,057,948
Sales commission	255,760,701	342,659,782
Sales promotion expenses	156,588,073	176,482,408
Discounts	1,336,530,288	1,400,679,802
Travelling	187,734,537	201,416,213
Service charges	233,241,084	243,973,878
Bad debt expenses	-	1,886,810
Provision for doubtful debts	14,056,243	7,942,068

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 27 : Other expenses (Contd.)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Auditors' remuneration:				
Audit fees		3,900,000		3,500,000
Other services		3,500,000		7,120,000
Reimbursement of expenses/levies		35,501		12,441
Director's fees		3,995,480		1,025,000
Commission to non whole time directors		10,000,000		10,000,000
Loss on fixed assets sold/Write-off (net)		3,755,868		3,295,302
Bank charges		84,998,480		65,170,984
Expenditure on Corporate Social Responsibility		30,908,617		6,264,436
Miscellaneous		117,069,862		131,337,680
		4,631,273,902		4,809,089,634

28 Securitisation

The Company has been securitising amounts receivable including future interest receivable thereon. The excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation.

Particulars	Year ended March 31,	
	2015	2014
Value of Accounts receivable	586,013,212	603,524,597
Less: Future interest receivable	123,953,981	131,965,238
Principal amount of receivables	462,059,231	471,559,359
Consideration received	500,000,000	500,000,000
Profit on securitisation	37,940,769	28,440,641
Less: Reversals in respect of cancelled members	31,365,051	24,663,945
Income from securitisation	6,575,718	3,776,696

29 Contingent Liabilities

Particulars	As at March 31,	
	2015	2014
(A) Receivables securitised, with recourse.		
Certain specified Receivables have been securitised with a bank for availing finance. In case a member defaults in payment to the bank, the bank would have recourse to the company. In such cases, the company has recourse to the customer.	1,867,971,631	2,689,790,487
(B) Claims against the company not acknowledged as debts		
1) Luxury tax claimed on members' stay at resorts (inclusive of penalty)	251,052,544	74,671,145
2) Service tax claimed on interest on instalments and other items (inclusive of penalty where quantified in demand)	638,770,100	638,770,100
Interest (estimated) [₹ 120,780,224 (2014: ₹ 120,780,224)]		
3) Income tax matters in dispute		
(a) Pertaining to Revenue Recognition (timing differences)*		
Assessment Years 1998-99 to Assessment Year 2003-04 and Assessment Year 2005-06 to Assessment Year 2009-10		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

Particulars	As at March 31,	
	2015	2014
The matter has been decided in favour of the Company by the appellate authorities, the Department has filed an appeal before the Madras High Court; Tax (excluding interest)	1,978,570,362	2,033,473,937
Assessment Years 2004-05 and Assessment Year 2009-10 to Assessment Year 2012-13 Company's appeal before the CIT(A) is pending; Tax (including interest of ₹ 716,762,503)	2,753,180,338	1,824,923,160
b) Pertaining to other matters (mainly timing differences)*		
From Assessment Year 2005-06 onwards Company's appeal before Appellate authorities is pending; Tax (including interest of ₹ 76,297,746)	324,338,723	283,720,946
* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.		
Notes:		
1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the company's rights for future appeals. No reimbursements are expected.		
2) In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows if any; the Company has also been legally advised that the consequential impact of matters referred in 1 and 2 above in respect of assessments remaining to be completed may not be material.		
(C) Guarantees given by the company for subsidiaries		
Value in foreign currency		
Amount of Guarantee given (EURO)	11,200,000	-
Outstanding amount against Guarantee (EURO)	10,924,562	-
Value in INR		
Amount of Guarantee given	757,736,000	-
Outstanding amount against Guarantee	739,101,242	-

(D) Other matters under appeal**i) Property**

- (a) The Government of Kerala issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the grounds that it is agricultural land and cannot be used for commercial purposes. The Company has filed an appeal before the Commissioner of Land Revenue against the Order stating that the patta issued does not specify that the land should be used only for agricultural purpose and also obtained a Stay Order from the Kerala High Court against eviction from the property.

The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company against the Order of the Sub-Collector, District of Devikulam dated July 3, 2007 cancelling the assignment of land underlying the Munnar Resort and directing repossession of land on the grounds that it is agricultural land and cannot be used for commercial purposes. The Company filed a writ petition before the Kerala High Court against the said Order and on December 13, 2007, the Court granted an interim stay of all further proceedings.

- (b) With respect to the land underlying the resort at Tungji, the Sub-Divisional Magistrate, Maval, vide order dated June 6, 2014 suspended the boarding and lodging license of the resort. The Company has filed an appeal before the Collector, Pune, and obtained a stay against the suspension. The final order in respect of this matter is awaited. The Company also filed an appeal before the Additional Divisional Commissioner Pune, challenging the cancellation of the "Non Agricultural" status of the land and obtained a stay against the cancellation. The matter is pending hearing and disposal.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

With respect to certain claims of a neighbouring property owner, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against him disturbing the possession of the Company and obtained an ad-interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the order aforesaid and all matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune.

- (c) Pursuant to a "public interest litigation" filed before the Gujarat High Court, the officials of the Forest and Revenue departments undertook an inspection of all resorts (including the Company's resort) at Gir in March 2015. Consequently, the Forest Department has alleged certain irregularities and sealed some structures / rooms in April 2015. The Company has denied the alleged violations and made its representations before a Committee constituted by the Gujarat High Court and the matter is pending hearing.

None of the matters contained in (a) to (c) above affect the routine operations of the resorts.

- (ii) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 125,614,668 as damages for termination of the Contract. The Company has made a counter claim of ₹ 200,356,002 towards liquidated damages and other losses. The matter is pending before the Arbitrator.
- (iii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to Feb 2013 in respect of Indian employees and from April 2010 to Feb 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 18,993,169. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.
- (iv) With respect to member complaints pending before various consumer fora and other matters: Estimated amount of claims ₹ 82,650,033 (previous year: ₹ 55,120,252).
- (iv) The Income Tax department has raised a demand for ₹ 25.79 Lacs (Including interest) for the Assessment Year 2009-10 against Divine Heritage Hotels Private Limited. The company however has preferred an appeal against the said demand and the case is pending before Commissioner of Income Tax Appeal.
- 30 (i) The Company did not have material foreseeable losses on long-term contracts.
- (ii) The Company did not enter into any derivative contracts during the year.

31 Capital commitments

(in ₹)

Particulars	As at March 31,	
	2015	2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	438,836,014	369,926,295

32 Depreciation

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the following impact has been given in the consolidated financial statement of the Company.

(in ₹)

Name of the company	Impact in Reserve	Deferred Tax	P&L impact
Mahindra Holidays & Resorts India Limited	102,610,024	52,836,157	219,172,670
Divine Heritage Hotels Private Limited	108,726	-	5,345,145
Holiday on Hills Resorts Private Limited	795,375	-	971,603
Competent Hotels Private Limited	1,875,301	-	(29,010,700)
Total	105,389,426	52,836,157	196,478,718

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

33 Employee Benefits

The following table sets out the status of the defined benefit scheme of the Company and its subsidiaries wherever applicable.

(in ₹)

	Gratuity	As at March 31,	
		2015	2014
a.	Net Asset/ (Liability) recognized in the balance sheet		
	Present value of funded obligation	33,379,345	28,745,921
	Fair value of plan assets	24,706,922	21,034,394
	Net asset/ (Liability)	(8,672,423)	(7,711,527)
b.	Expense recognized in the Statement of profit and loss		
	Current service cost	7,923,017	8,939,346
	Interest cost	2,398,734	2,137,525
	Expected return on plan assets	(1,983,342)	(1,694,432)
	Actuarial (gains) / losses	(1,099,681)	(6,896,326)
	Total expense	7,238,728	2,486,113
c.	Change in present value of obligation		
	Present value of defined benefit obligation as at the beginning of the year	28,745,921	28,299,695
	Add: Defined benefit obligation pertaining to newly acquired subsidiary	1,408,964	-
	Less: Defined benefit obligation merged with the Company	(647,197)	-
	Current service cost	7,923,017	8,939,346
	Interest cost	2,398,734	2,137,525
	Actuarial (gains) / losses	(1,132,718)	(6,890,803)
	Benefits paid	(5,317,376)	(3,739,842)
	Present value of defined benefit obligation as at the end of the year	33,379,345	28,745,921
d.	Change in fair value of plan assets		
	Plan assets at the beginning of the year	21,034,394	17,104,972
	Add: Fair value of assets pertaining to newly acquired subsidiary	1,533,119	-
	Expected return on plan assets	1,983,342	1,694,433
	Actuarial gains /(losses)	(33,035)	5,522
	Contributions by employer	5,506,478	5,812,912
	Benefits paid	(5,317,376)	(3,583,445)
	Plan assets at the end of the year	24,706,922	21,034,394
e.	Principal actuarial assumptions		
	1 Discount rate	8.00% to 9.00%	9.00% to 9.15%
	2 Expected return on plan assets	8.00% to 9.30%	9.30%
	3 Mortality table	IALM (2006-2008) ULT	IALM (2006-2008) ULT
f.	Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		
g.	In respect of the subsidiaries the defined benefit scheme is not funded.		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

h. Experience Adjustment to the extent provided by actuary:		(in ₹)				
		As at March 31,				
		2015	2014	2013	2012	2011
	Present value of defined benefit obligation	33,379,345	28,745,921	27,910,215	19,152,550	15,398,391
	Fair value of the Plans	24,706,922	21,034,394	17,104,972	12,655,898	13,579,177
	Surplus / (Deficit)	(8,672,423)	(7,711,526)	(10,805,243)	(6,496,652)	(1,819,214)
	Experience adjustment on plan liabilities	(5,423,646)	(15,263,749)	47,436	56,790	-
	Experience adjustment on plan assets	(33,035)	5,522	1,923,330	1,923,330	-
i.	In the absence of the relevant information from the actuary/insurer, the above details do not include the composition of plan assets and the estimated amount of contribution in the immediate next year.					

34 Segment Reporting:

The Company has a single reportable segment namely sale of Vacation Ownership and other services for the purpose of Accounting Standard 17 on Segment Reporting. Business segment is considered as the primary segment.

(in ₹)

Secondary segment information (Geographical):	As at March 31,	
	2015	2014
Domestic		
Sales	8,118,820,506	8,059,678,505
Segment assets	24,480,523,858	23,222,736,528
Capital expenditure incurred during the year	1,798,652,923	1,255,941,993
Overseas		
Sales	-	104,030,210
Segment assets	23,050,676	147,536,654
Capital expenditure incurred during the year	-	91,036
Total		
Sales	8,118,820,506	8,163,708,715
Segment assets	24,503,574,534	23,370,273,182
Capital expenditure incurred during the year	1,798,652,923	1,256,033,029

35 Earnings per share:

(in ₹)

Particulars	As at March 31,	
	2015	2014
Net profit after tax (in ₹)	812,268,482	870,293,046
Weighted average number of Equity Shares used in computing basic earnings per share (Nos.)	88,025,625	87,898,313
Weighted average number of Equity Shares used in computing diluted earnings per share (Nos.) on account of ESOP	88,045,717	87,915,815
Earnings Per Share – Basic (in ₹)	9.23	9.90
Earnings per share – Diluted (in ₹)	9.23	9.90
Nominal value of shares (in ₹)	10.00	10.00

36 Goodwill on consolidation:

(in ₹)

Particulars	As at March 31,	
	2015	2014
Opening Balance	1,427,161,620	1,458,440,867
Add: On acquisition/ additional investment in subsidiaries/ jointly controlled entity	391,492,047	14,242,727
Less: On disposal/merger of subsidiary	(635,437,438)	(45,521,974)
Closing Balance	1,183,216,229	1,427,161,620

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

37 The effect of acquisition/disposal of subsidiaries

Mahindra Holidays and Resorts USA Inc. has been dissolved voluntarily on 19th May, 2014.

The difference between the proceeds from disposal of investment in subsidiaries and net investment held in those companies as on the date of disposal have been recorded as gain on sale of investment in subsidiaries.

The effect of disposal of subsidiaries on the financial position and results as included in the Consolidated Financial Statements is given below:

(in ₹)

Particulars	2014-2015	2014-2015	2013-2014	2013-2014
	Acquisition	Disposal	Acquisition	Disposal
Liabilities:				
Non Current liabilities	1,433,158,896	-	-	70,314,703
Current liabilities	28,759,501	350,784	-	55,564,981
Assets:				
Non Current Assets	811,489,563	-	-	311,488,805
Current Assets	1,203,343,314	350,784	-	30,596,070
Revenue	46,335,234	4,698	-	126,678,727
Expenses	33,318,589	1,198,804	-	152,199,141
Profit / (Loss) before tax	13,016,646	(1,194,106)	-	(25,520,414)
Profit / (Loss) after tax	2,180,378	(1,194,106)	-	(25,754,745)

38 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31,	
	2015	2014
Value in foreign currency		
Receivables (in UAE Dirham)	-	8,783,464
Trade Payable (in UAE Dirham)	332,415	9,528
Trade Payable (in EURO)	1,394	-
Value in INR		
Receivables	-	144,425,013
Payables (UAE Dirham)	5,586,152	155,305
Payables (EURO)	91,630	-

39 Joint Venture Disclosure

Interest in assets, liabilities, income, expenses and capital commitment with respect to the Jointly controlled entity, Arabian Dreams Hotels Apartments LLC is as follows:

(in ₹)

Particulars	2014-2015	2013-2014
Liabilities :		
Short term borrowings	50,145,986	27,122,526
Other current liabilities	2,815,313	1,982,948
Assets :		
Short term loans and advances	9,625,810	7,790,008
Trade receivables	3,307,550	4,914,385
Cash and cash equivalents	4,640,149	801,759
Income	59,335,221	54,673,821
Expenses	77,436,897	72,840,122
Contingent liabilities / Capital commitments	NIL	NIL

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

40 Investment in associate

(in ₹)

Particulars	No. of equity shares held	% of holding	Original cost of Investment	Amount of Goodwill / (Capital reserve) in original cost	Carrying amount of Investments
Holiday Club Resorts Finland	707,777	22.34%	1,302,332,185	288,807,214	1,294,553,232

41 Related Party Transactions:

(i) Names of related parties and nature of relationship where control exists:

A.	Holding Company	Mahindra & Mahindra Limited
B.	Associate Companies	Holiday Club Resorts Oy
C.	Fellow Subsidiaries with whom the company has transactions during the year	Bristlecone Inc. Bristlecone India Limited Defence Land Systems India Limited EPC Industries Limited Mahindra Automobile Distributor Private Limited Mahindra Consulting Engineers Limited Mahindra Defence Systems Limited Mahindra Engineering Services Limited Mahindra EPC Services Private Limited Mahindra First Choice Services Limited Mahindra First Choice Wheels Limited Mahindra Integrated Township Limited Mahindra Integrated Business Solutions Private Limited Mahindra Intertrade Limited Mahindra Life Space Developers Limited Mahindra Logistics Limited Mahindra Navistar Automotives Limited Mahindra Residential Developers Limited Mahindra Retail Private Limited Mahindra Reva Electric Vehicles Private Limited Mahindra Shubhlabh Services Limited Mahindra Solar One Private Limited Mahindra Steel Services Centre Limited Mahindra Two Wheelers Limited Mahindra World City (Jaipur) Limited Mahindra World City Developers Limited Mahindra World School Tech Mahindra Limited
D.	Other entities under the control of the company	Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust
E.	Key Management Personnel	Mr. Rajiv Sawhney (Managing Director & CEO till March 31, 2014) Mr. Kavinder Singh (Managing Director & CEO from November 3, 2014) Mr. Dinesh Shetty (Companies Secretary) Mr. S Krishnan (Chief Financial Officer) Mr. S Krishnan (Executive Director & Chief Financial Officer from January 22, 2015)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(ii) Related Party Transactions and balances

(in ₹)

Particulars	March 31, 2015	March 31, 2014
Holding company		
Transactions for the year ended :		
Sale of services	379,867,057	485,998,501
Purchases of fixed assets	1,277,046	-
Purchase of services	97,579,648	70,659,156
Dividend paid	266,342,568	266,342,568
Balances as at :		
Outstanding: Payable	82,955,486	47,688,211
Outstanding: Receivable	16,918,336	73,019,356
Fellow Subsidiaries		
Transactions for the year ended :		
Sale of services:		
Mahindra Intertrade Limited	1,524,399	2,675,430
Mahindra Navistar Automotives Limited	-	1,806,074
Mahindra First Choice Wheels Ltd	1,048,192	471,532
Mahindra Lifespace Developers Ltd	4,314,190	4,400,232
Mahindra Reva Electric Vehicles Private Limited	-	101,316
Mahindra Two Wheelers Limited	3,546,120	4,341,991
Mahindra Shubhlabh Services Limited.	452,907	908,950
Mahindra Solar One P Ltd.	-	54,586
Mahindra Integrated Township Ltd	103,163	29,339
Mahindra World City Developers Ltd	1,098,155	1,956,406
Mahindra World City (Jaipur) Ltd	1,277,067	1,806,199
Mahindra Steel Service Centre Limited	-	84,296
Mahindra Defence Systems Limited	4,008,576	2,940,026
Bristlecone India Limited.	779,342	19,500
Bristlecone Inc.	-	308,682
Defence Land Systems India Private Limited	1,628,657	438,314
EPC Industries Limited	-	21,901
Mahindra Consulting Engineers Limited	2,039,304	1,012,732
Mahindra EPC Services Private Limited	3,592,864	8,580,780
Mahindra Logistics Limited	5,079,542	-
Mahindra First Choice Services Ltd	1,951,282	-
Mahindra Automobile Distributor Pvt Ltd	27,553	-
Tech Mahindra Limited	72,399,623	88,644,391
Mahindra World School	49,400	-
Mahindra Residential Developers Limited	100,000	-
Purchase of Fixed Assets:		
Mahindra Two Wheelers Limited	232,976	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	(in ₹)	
Particulars	March 31, 2015	March 31, 2014
Purchase of services:		
Mahindra Logistics Limited	-	88,987
Mahindra Integrated Business Solutions Private Limited	-	250,000
Mahindra Defence Systems	599,077	310,000
Mahindra Consulting Engineers Limited.	375,000	-
Bristlecone India Limited.	2,594,974	-
Tech Mahindra Ltd	184,282,854	87,646,708
Balances as at :		
Outstanding: Payable		
Mahindra Retail Pvt Ltd	70,508	-
Tech Mahindra Ltd	19,804,676	7,486,296
Bristlecone India Limited	2,701,996	-
Outstanding: Receivable		
Mahindra Lifespace Developers Ltd	2,401,145	402,834
Mahindra Consulting Engineers Limited	140,722	1,021,716
Mahindra Engineering Services Limited	-	515,839
Mahindra Intertrade Limited	194,076	1,483,688
Mahindra Shubhlabh Services Limited	59,088	145,899
Mahindra EPC Services Private Limited	-	1,315,936
Mahindra Two Wheelers Limited	645,298	3,697,724
Mahindra First Choice Wheels Ltd	-	90,302
Mahindra World City Developers Ltd	-	25,173
Mahindra World City (Jaipur) Ltd	-	177,393
Mahindra Defence Systems Limited	84,270	1,704,000
Mahindra Navistar Automotives Limited	-	516,730
Bristlecone India Limited.	-	19,500
Defence Land Systems India Pvt Ltd	-	439,910
Mahindra Logistics Limited	821,175	-
Mahindra First Choice Services Ltd	39,713	-
Tech Mahindra Limited	506,391	2,886,117
Other entities under the control of the company		
Balance as at:		
Outstanding: Receivable		
Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	125,000,000	125,000,000
Corporate guarantees given to bank		
MHR Holdings (Mauritius) Limited (Euro 11,200,000)	757,736,000	-
(Outstanding amount against above guarantee (Euro 10,924,562) INR 739,101,242)		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(in ₹)

Particulars	March 31, 2015	March 31, 2014
Key Management Personnel		
Transactions for the year ended :		
Managerial remuneration:		
Mr. Rajiv Sawhney	-	28,886,988
Mr. Kavinder Singh	7,894,958	
Mr. Dinesh Shetty	4,660,098	
Mr. S Krishnan	9,508,914	

- 42 The Company has taken certain properties under operating lease and those leases are cancellable in nature. Accordingly, no disclosure has been given in this regard.
- 43 During the year, the Company incurred an aggregate amount of ₹ 30,397,176 towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder.
- 44 Capital work in progress (CWIP) and expenditure during construction pending allocation included therein.

(in ₹)

Particulars	Year ended March 31,	
	2015	2014
Capital Work-in-progress	872,557,311	730,208,820

Expenditure during construction pending allocation included in (CWIP) above:

Salaries, Wages & Bonus	103,049,793	100,732,036
Staff welfare Expenses	1,347,999	1,042,167
Power & Fuel	209,957	204,397
Rent	826,294	539,627
Rates & Taxes	1,599,922	434,549
Repairs-Others	2,062,029	2,193,677
Travelling	14,589,371	18,203,344
Communication	1,683,121	2,095,479
Printing & Stationery	677,558	865,930
Insurance	27,162	15,074
Consultancy Charges	22,639,925	28,744,380
Freight	1,549,319	1,889,717
Interest - Others	6,172,926	4,477,769
Bank Charges	77,702	115,442
Miscellaneous	181,780	129,880
Total	156,694,858	161,683,468

- 45 i In terms of the Scheme of Amalgamation and Arrangement, ('the Scheme'), the erstwhile Bell Tower Resorts Private Limited (a wholly owned subsidiary of the Company)(referred to as 'Transferor Company'), has been merged with the Company ('Transferee Company'), upon which the entire business, including all assets and liabilities of the Transferor Company stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under the 'pooling of interest method' and the assets and liabilities transferred have been recorded at their book values as on the Appointed Date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

The Scheme filed by the Company has been approved by the Hon'ble High Court of Bombay at Goa on May 2, 2014 and by the Hon'ble High Court of Madras on June 23, 2014 with the Appointed Date of April 1, 2013 and an effective date of July 31, 2014 ('the Effective Date'), being the date on which all the requirements under the Companies Act, 1956 have been completed.

The current year figures are to that extent not strictly comparable to those of previous year.

- ii. There was no allotment of shares to the Transferor Company's equity shareholders since the Transferor Company was a wholly owned subsidiary of the Company.
 - iii. Consequent to this, Goodwill on Consolidation amounting to ₹ 635,437,438 has been written-off against the securities premium account of the Company.
- 46** Exceptional item represents a net debit of ₹ 218,797,194 written off consequent to adjustments relating to past periods, made to the balances carried forward under Receivables as at the year end, in the Deferred Service Tax Account, Deferred Interest Account and other accounts, aggregating to ₹ 737,373,047 (debit) and the Deferred Entitlement Fee Account amounting to ₹ 518,575,853 (credit). These adjustments are arising from the reconciliation exercise carried out by the company of these accounts necessitated, inter-alia, due to the migration of underlying data to the ERP system implemented in the previous financial years, and Management's decision to recognize the entitlement fee commencing from the year of admission of each member as against from the year of entitlement.
- 47** On May 19, 2014, Mahindra Holidays and Resorts USA Inc., wholly owned subsidiary of the Company was dissolved voluntarily.
- 48** The figures for the previous year have been regrouped/reclassified to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

A. K. Nanda
Chairman

Kavinder Singh
Managing Director & CEO

S. Krishnan
Executive Director &
Chief Financial Officer

Dinesh Shetty
Company Secretary

Place: Mumbai
Date: May 18, 2015

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

Sl no	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency/ Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before tax	Provision for taxation	Profit after tax	Proposed dividend	% of Share Holding
1	Divine Heritage Hotels (P) Ltd			7,000,000	(85,254,756)	270,177,801	348,432,557	-	34,723,380	(47,905,503)	-	(47,905,503)	-	100%
2	Holiday on Hills Resorts (P) Ltd			10,000,000	(67,459,547)	341,182,158	398,641,705	-	73,812,608	(19,076,028)	-	(19,076,028)	-	100%
3	Competent Hotels (P) Ltd			30,830,000	43,810,078	92,480,630	17,840,552	-	27,059,121	29,376,013	10,401,923	18,974,090	-	100%
4	Cables Promoters (P) Ltd			132,000,000	(571,822)	367,520,515	236,092,337	-	-	(267,970)	-	(267,970)	-	100%
5	Mahindra Hotels and Residences India Ltd			500,000	(1,283,777)	1,500	785,277	-	-	(80,944)	-	(80,944)	-	100%
6	Heritage Bird (M) Sdn Bhd		MYR 1 = INR16.81	5,043,034	(11,410,762)	76,846,865	83,214,593	-	15,088,992	(1,675,117)	48,749	(1,723,866)	-	100%
7	MH Boutique Hospitality Ltd		THB 1 = INR1.91	19,100,000	(12,218,136)	118,978	65,817,114	72,580,000	500	(5,157,156)	-	(5,157,156)	-	49%
8	Infinity Hospitality Group Company Ltd	December 31, 2014	THB 1 = INR1.91	286,500,000	(207,019,557)	395,362,954	315,882,511	-	62,753,749	(19,374,157)	-	(19,374,157)	-	49%
9	Covington S.a.r.l.	December 31, 2014	EURO 1 = INR67.66	845,750	478,470,374	4,120,100	702,040,432	1,177,236,456	12,708,226	(5,542,825)	435,054	(5,977,879)	-	100%
10	MHR Holdings (Mauritius) Ltd		EURO 1 = INR67.66	9,810,700	(10,817,075)	255,169,812	742,144,136	485,967,950	6,569,312	(10,817,075)	-	(10,817,075)	-	100%
11	Mahindra Holidays and Resorts USA Inc		USD 1 = INR 62.64	-	-	-	-	-	-	(7,365,900)	-	(7,365,900)	-	100%

Notes:

- During the year Mahindra Holidays & Resorts USA Inc have been voluntarily liquidated.
- Cables Promoters (P) Limited is yet to commence operations.
- Translated at exchange rate prevailing as on 31st March 2015 MYR 1 = INR 16.81, THB 1 = INR 1.91, EURO 1 = INR 67.66 and USD 1 = INR 62.64, AED 1 = INR 16.97

Statement pursuant to section 129 (3) of the Companies Act 2013 related to Associate Companies and Joint Ventures Part "B" Associate & Joint Venture

In ₹

Sl no	Name of the Associate/ Joint-Ventures	Latest audited Balance Sheet Date	Share of Associates/Joint Ventures held by the Company on the year end		Description how there is significant influence	Reason why the joint venture/ associate not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet.	Profit/(Loss) for the year	
			No of Shares held	Extend of holding - %				Considered in consolidation	Not considered in consolidation
Associate :									
1	Holiday Club Resorts Oy	30th September, 2014	707,777	22.34%	Voting Rights	NA	Refer note 2 below 4,629,910	6,562,052	22,811,502
2	Guestime Hospitality Management and Development Services Limited **	31st March, 2015	25,000	49.94%	Voting Rights	Refer note 3 below		-	2,029,270
Joint-Venture :									
1	Arabian Dreams Hotel Apartments L.L.C.	31st March, 2015	147	49%	Voting Rights	NA	(34,347,211)	(18,106,690)	(18,845,737)

Note:

- The investments in Holiday Club Resorts Oy is held by Covington S.a.r.l. a wholly owned subsidiary of MHR Holdings (Mauritius) Ltd, which in turn is a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited.
- The networth as on the date of acquisition is ₹ 1,013,524,969
- The financials of Guestline Hospitality Management and Development Services Limited has not been considered for consolidation as the investment is acquired and held exclusively with a view to its subsequent disposal in the near future.

For **Deloitte Haskins & Sells**
Chartered Accountants

M.K. Ananthanarayanan
Partner

Place: Mumbai
Date: May 18, 2015

For and on behalf of the Board of Directors

A. K. Nanda
Chairman

S. Krishnan
Executive Director &
Chief Financial Officer

Place: Mumbai
Date: May 18, 2015

Kavinder Singh
Managing Director & CEO

Dinesh Shetty
Company Secretary

FINANCIAL HIGHLIGHTS FOR LAST 5 YEARS - STAND ALONE

₹ in lakh

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Revenue from operations	79,485	77,752	70,155	62,156	52,246
Total Income	80,756	79,893	71,594	63,658	53,416
Earnings Before Depreciation, Finance Cost and Tax Expenses and exceptional items	19,250	18,042	18,164	16,621	16,954
Depreciation and Amortisation	6,541	3,803	2,119	2,034	2,010
Exceptional Items	2,188	-	-	-	-
Profit For the Year	7,902	9,453	10,698	10,464	10,276
Equity Dividend %	40*	40	40	40	40
Equity Share Capital	8,803	8,802	8,388	8,385	8,361
Reserves and Surplus	64,287	70,174	55,043	48,499	41,969
Net Worth	73,090	78,976	63,431	56,884	50,330
Net Fixed Assets	86,761	75,777	70,479	63,646	57,502
Total Assets	271,392	261,115	224,433	197,312	175,724
Market Capitalisation	2,289	2,074	2,164	2,543	2,927

KEY INDICATORS

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Diluted Earnings Per Share - (₹)	8.98	10.75	12.75	12.46	12.21
Book Value Per Share - (₹)	83.03	89.73	75.62	67.84	60.20
EBDIT / Total Income %	23.84%	22.58%	25.37%	26.11%	31.74%

*Subject to the approval of the shareholders at the ensuing AGM.

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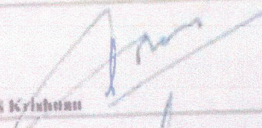
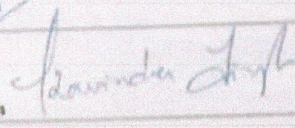
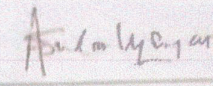
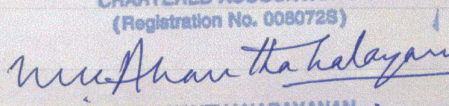


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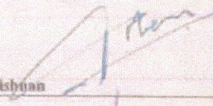
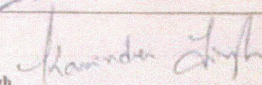
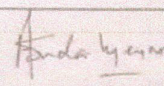
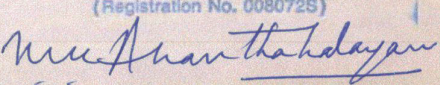
FORM A

Format of covering letter of the annual report to be filed with stock exchanges

1	Name of the company	Mahindra Holidays & Resorts India Limited
2	Annual Stand-alone financial statements for the year ended	31st March 2015 (Separate financial statements)
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Not Applicable
5	Signed by	
	-Chief Financial Officer & Executive Director	 S Krishna
	-Managing Director & CEO	 Kavinder Singh
	-Audit Committee Chairman	 Sridar Iyengar
	-Auditors of the Company	
Refer our Audit report dated May 18, 2015 on Standalone financial statements of the Company, attached		
<p>For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS (Registration No. 0080728)</p>  M.K. ANANTHANARAYANAN PARTNER MEMBERSHIP No. 19521		
Mumbai, May 18, 2015		

FORM A

Format of covering letter of the annual report to be filed with stock exchanges

1	Name of the company	Mahindra Holidays & Resorts India Limited
2	Annual Consolidated financial statements for the year ended	31st March 2015
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Not Applicable
5	Signed by	
	-Chief Financial Officer & Executive Director	S Krishnan 
	-Managing Director & CEO	Kavinder Singh 
	-Audit Committee Chairman	Sridar Iyengar 
	-Auditors of the Company	
	Refer our Audit report dated May 18, 2015 on consolidated financial statements of the Company, attached	
	<p>For DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS (Registration No. 008072S)</p>  M.K. ANANTHANARAYANAN PARTNER MEMBERSHIP No. 19521	
	Mumbai, May 18, 2015	