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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their Ninth Annual Report together with the audited financial statements of your Company for the Financial Year ended March 31, 2016.

Performance of the Company

Your Company is yet to commence operations. During the year under review, the Company has incurred loss of Rs. 71,211/-.

Dividend

In view of the losses, your Directors do not recommend any dividend for the year under review.

Transfer to Reserves

Your Directors do not propose to transfer any amount to reserves.

Holding Company:

During the year under review, your Company continues to be a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Auditors' Report:

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to the financial statements for the year ended March 31, 2016. Information referred in Auditors Report are self-explanatory & do not call for any further comments.

Extract of the annual return

The Extract of the Annual Return in Form No. MGT – 9, as required under sub-section (3) of Section 92 of the Companies Act, 2013 ("the Act") is given in the Annexure I to this Report.

Board of Directors

As on March 31, 2016, your Company had 3 Non-Executive Directors. Since Mr. Ravindera Nath Khanna had retired by rotation and has been reappointed in the Annual General Meeting (AGM) held on July 27, 2015 and Mr. Dinesh Shetty and Mr. Ajay Agarwal were appointed as Directors w.e.f. AGM held on August 26, 2014, pursuant to Section 152(6) of the Act and Articles of Association of the Company it was mutually agreed among the Directors that Mr. Dinesh Shetty shall retire by rotation, and being eligible, offers himself for re-appointment.

Key Managerial Personnel

The provisions of Section 203 of the Act is not applicable to the Company.

Number of meetings of the Board of Directors and Attendance

During the year under review, the Board met four times from on: April 23, 2015, July 27, 2015, October 26, 2015 and January 21, 2016. The gap between two Meetings did not exceeding one hundred and twenty days. All the Directors attended all

the meetings except, Mr. Ravindera Nath Khanna who has attended two meetings, held during 2015-16.

Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Disclosure of Composition of Audit Committee and providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

During the year, the Company did not grant any loans or given any guarantees or made any investments under Section 186 of the Act.

Particulars of contracts or arrangements with related parties

All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of contracts / arrangements / transactions with related parties are given in Annexure II in the Form AOC-2.

In addition to above, during the financial year, your Company has availed Inter Corporate Deposits from Mahindra Holidays & Resorts India Limited (MHRIL), holding Company amounting to Rs. 50,000/- and the same remained outstanding as on March 31, 2016.

Apart from the above transaction, 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.

Your Directors draw attention of the members to Note 10 to the financial statements which sets out related party disclosure.

Statutory Auditors

Messrs Anil Nair & Associates, Chartered Accountants, Chennai (ICAI Registration Number 000175S), were appointed as Statutory Auditors of the Company for a term of five years, from the conclusion of the Annual General Meeting (AGM) held on August 26, 2014 till the conclusion of AGM to be held in the year 2019, subject to a yearly ratification of such appointment by shareholders at the Annual General Meeting. Accordingly, the Shareholders of the Company ratified the appointment of

Statutory Auditors at their AGM held on July 27, 2015 for the financial year 2015-16.

Further, as required under the provisions of Section 139 and 141 of the Act, your Company has obtained a written certificate from the Auditors to the effect that their ratification of appointment, if made at the forthcoming AGM, would be in conformity within the limits specified in the said Section. Accordingly, ratification of appointment of Statutory Auditors for the financial year 2016-17 is being sought from the Shareholders of the Company at the ensuing AGM.

Material Changes and Commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2016 and the date of the Directors' Report.

Details of Policy developed and implemented by the Company on its Corporate Social Responsibility initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

Internal Financial Controls

Your Company has adequate internal financial controls with reference to financial statements.

Deposits and Loans/Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual report of the Company pursuant to Regulation 34(3) read with Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of the parent companies Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

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.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Company did not carry out any operations during the year and hence disclosure required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 shall not be applicable to the Company.

Statement concerning development and implementation of Risk Management Policy of the Company

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there is no material departure;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of March 31, 2016 and of the loss 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 this 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; and
- (e) 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.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors and Banks during the year under review.

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Ajay Agrawal
Director
(DIN: 06879842)

Place: Chennai
Date: May 13, 2016

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2016

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016***[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	U55101TN2007PLC063285
ii	Registration Date	April 26, 2007
iii	Name of the Company	Mahindra Hotels and Residences India Limited
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office of the Company	No.17 & 18, 2nd Floor, Mahindra Towers, Pattulos Road, Chennai – 600002 Ph. No. - 044 – 3988 1000 Fax No. - 044 – 3027 7778 E- Mail - arun.khandelwal@mahindraholidays.com
vi	Whether listed company	No
vii	Name, Address, Contact Details of Registrar and Transfer Agent	Not Applicable

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 product/services	NIC Code of the Product/service	% to total turnover of the company
1	Not Applicable		

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 Holidays & Resorts India Limited Mahindra Towers, 2 nd Floor, 17/18 Patullos Road, Chennai – 600 002	L55101TN1996PLC036595	Holding Company	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2015)				No. of Shares held at the end of the year (31/03/2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
l) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total A (1):-	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2015)				No. of Shares held at the end of the year (31/03/2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total A (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Body Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	50,000	50,000	100.00	–	50,000	50,000	100.00	–

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2015)			Shareholding at the end of the year (31/03/2016)			% 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 Holidays & Resorts India Limited	50,000	100.00	–	50,000	100.00	–	–
	Total	50,000	100.00	–	50,000	100.00	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): No Changes during the Year

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel: Not Applicable

V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–
Change in Indebtedness during the financial year				
+ Addition	–	50,000	–	50,000
– Reduction	–	–	–	–
Net change	–	50,000	–	50,000
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	50,000	–	50,000
iii) Interest accrued but not due	–	2,764	–	2,764
Total (i+ii+iii)	–	52,764	–	52,764

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other Directors: Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Not Applicable

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.

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Ajay Agrawal
Director
(DIN: 06879842)

Place: Chennai

Date: May 13, 2016

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2016

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	Mahindra & Mahindra Limited Ultimate Holding Company
(b)	Nature of contracts/arrangements/transactions	Training Expenses
(c)	Duration of the contracts/arrangements/ transactions	One Time
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Payment of Rs. 9,000/- towards Fees for attending Directors Familiarization Programme organised by Mahindra & Mahindra Limited.
(e)	Date(s) of approval by the Board, if any:	January 21, 2016
(f)	Amount paid as advances, if any;	Nil

The above mentioned transaction was entered into by the Company in its ordinary course of business.

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Ajay Agrawal
Director
(DIN: 06879842)

Place: Chennai
Date: May 13, 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of,
MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED**, ("the Company") which comprise the Balance sheet as at 31st March, 2016, and the Statement of Profit and Loss account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, 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 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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters included in the auditor's report and to the best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigation on its financial position in its financial statements.
 - ii. The company did not have material foreseeable losses on long term contracts and there were no derivative contracts.
 - 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 **ANIL NAIR & ASSOCIATES**
 Chartered Accountants
 Firm Reg. No.: 000175S

Place: Chennai
 Date: 13th May, 2016

P. NARAYANAN
 Partner
 Membership No.: 20175S

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of the Company on the standalone financial statements for the year ended on 31st March, 2016. We report that:

- i. The Company does not carry any fixed assets in its books. Accordingly, reporting under paragraph 3(i)(a),(b) and (c) of the Order does not arise.
- ii. The Company does not carry any Inventory in its books. Accordingly, reporting under paragraph 3(ii) of the Order does not arise.
- iii. 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 2013. Accordingly, reporting under clause 3(iii)(a) and (b) of the Order does not arise.
- iv. According to the information and explanation given to us, the Company has not granted any loans including loan represented by way of Book debt, whether directly or indirectly, to any of its Directors. Accordingly, reporting under clause 3(iv) of the Order does not arise.
- v. The Company has not accepted any deposits from public.
- vi. The Central Government has not prescribed maintenance of Cost Records under sub-section (1) of section 148 of the Companies Act 2013 for any of the services rendered by the Company.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is regular in depositing undisputed statutory dues including Income Tax, Value Added Tax, and other statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, there were no arrears of outstanding statutory dues as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) There are no dues which have not been deposited as on 31st March, 2016 on account of disputes and hence, reporting under Paragraph 3(vii) does not arise.
- viii. According to the information given to us, the Company has not defaulted in the repayment of dues to any financial institutions or bank or debenture holders.

- ix. According to the information and explanation given to us, the Company has not raised any money by way of Initial public Offer or Term loans. Accordingly, reporting under clause 3(ix) of the Order does not arise.
- x. According to the information and explanations given to us, no material fraud on or by the Company has been noted or reported during the course of the audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence, the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act does not arise.
- xii. The Company is not a Nidhi Company and accordingly, reporting under clause 3(xii) of the Order does not arise.
- xiii. According to the information and explanation given to us, all transactions with and related parties are in compliance with sections 177 and 188 of the Companies Act 2013 and all details thereof, has been disclosed in the Financial statements as required by the Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or debentures during the year. Accordingly, reporting under clause 3(xiv) of the Order is not applicable.
- xv. The Company has not entered into any non-cash transactions with directors or other persons connected with him. Accordingly, reporting under clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, reporting under clause 3(xvi) of the Order is not applicable.

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
Firm Reg. No.: 000175S

Place: Chennai
Date: 13th May, 2016

P. NARAYANAN
Partner
Membership No.: 201758

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of M/s MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ANIL NAIR & ASSOCIATES
Chartered Accountants
Firm Reg. No.: 000175S

Place: Chennai
Date: 13th May, 2016

P. NARAYANAN
Partner
Membership No.: 201758

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	In Rs.	
		As at 31-Mar-16	As at 31-Mar-15
EQUITY AND LIABILITIES			
Shareholders' funds:			
Share capital	2	500,000	500,000
Reserves and surplus	3	(1,354,988)	(1,283,777)
		(854,988)	(783,777)
Non-Current Liabilities			
Other Long term Liabilities	4	740,333	740,333
Current Liabilities			
Short term borrowings	5	50,000	–
Other Current Liabilities	6	84,955	44,944
		134,955	44,944
		20,300	1,500
ASSETS			
Current assets:			
Cash and Cash Equivalents	7	20,300	1,500
		20,300	1,500
		20,300	1,500
Significant Accounting Policies	1		

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For **Anil Nair & Associates**
Chartered Accountants
Firm Reg. No.: 000175S

For and on behalf of the Board of Directors

P. Narayanan
Partner
Membership No.: 201758

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Place : Chennai
Date : 13th May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No	In Rs.	
		Year ended 31-Mar-16	Year ended 31-Mar-15
Revenue:			
Revenue from operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses:			
Finance Costs	8	2,764	-
Other Expenses	9	68,447	80,944
Total Expenses		71,211	80,944
Profit before tax		(71,211)	(80,944)
Less : Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit/loss for the year		(71,211)	(80,944)
Significant Accounting Policies	1		

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For **Anil Nair & Associates**
Chartered Accountants
Firm Reg. No.: 000175S

P. Narayanan
Partner
Membership No.: 201758

Place : Chennai
Date : 13th May 2016

For and on behalf of the Board of Directors

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31-Mar-16	In Rs. Year ended 31-Mar-15
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and tax	(71,211)	(80,944)
Adjustments:		
Finance Costs	2,764	-
Operating profit before working capital changes	(68,447)	(80,944)
Changes in working capital:		
Other Current Liabilities	37,247	80,944
	(31,200)	-
Income tax	-	-
Net Cash (used in)/from Operating Activities	(31,200)	-
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net Cash (used in)/from Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	50,000	-
Net Cash (used in)/from Financing Activities	50,000	-
Net increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	18,800	-
Cash & Cash Equivalents:		
Opening Balance	1,500	1,500
Closing Balance	20,300	1,500
	18,800	-

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For **Anil Nair & Associates**
Chartered Accountants
Firm Reg. No.: 000175S

P. Narayanan
Partner
Membership No.: 201758

Place : Chennai
Date : 13th May 2016

For and on behalf of the Board of Directors

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2016

1. Significant Accounting Policies

(i) Accounting Convention

- The financial statements have been prepared under Historical Cost Convention and in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013.
- The company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

(ii) Fixed Assets

There were no fixed assets in the company during the year ended 31st March, 2016.

(iii) Revenue Recognition

The company had not commenced commercial operations during the year ended 31st March, 2016.

(iv) Inventories

The company did not have inventories during the year ended 31st March, 2016.

(v) Retirement Benefits

The company did not have any employees on rolls during the year ended 31st March, 2016.

(vi) Taxes on Income

Since the company did not have any commercial operations during the year, the question of income tax/deferred tax does not arise.

(vii) Earnings per share

Since the company did not have any commercial operations during the year ended 31st March, 2016 the Accounting Standard ('AS') 20 on Earnings per Share, issued by the Institute of Chartered Accountants of India would not be applicable to the company.

2. Share Capital

Particulars	In Rs.			
	As at 31 st March, 2016 No. of Shares	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 No. of Shares	As at 31 st March, 2015 Rs.
Authorised:				
50,000 Equity Shares of Rs. 10 each	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>
Issued, Subscribed & Paid up:				
Equity:				
50,000 equity shares of Rs. 10 each	50,000	500,000	50,000	500,000
	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

Notes:

- The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity share is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company,

after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

- Reconciliation of No. of Shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2016 No. of Shares	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 No. of Shares	As at 31 st March, 2015 Rs.
	At the beginning of the year	50,000	500,000	50,000
Add: Issued during the year	-	-	-	-
At the end of the year	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

- Shares in the company held by each shareholder holding more than 5% shares specifying the no. of shares held

Name of shareholder	No. of shares 31 st March, 2016	% held as at 31 st March, 2016	No. of shares 31 st March, 2015	% held as at 31 st March, 2015
Mahindra Holidays and Resorts India Limited	49,994	99.99%	49,994	99.99%

3. Reserves and Surplus

Particulars	In Rs.	
	As at 31 st March, 2016	As at 31 st March, 2015
Surplus/(Deficit) in Statement of Profit & Loss		
As per last balance sheet	(1,283,777)	(1,202,833)
Add: Profit/(Loss) for the year	(71,211)	(80,944)
Closing Balance	<u>(1,354,988)</u>	<u>(1,283,777)</u>

4. Other Long term Liabilities

Particulars		
Due to Holding Company (MHRIL)	740,333	740,333
	<u>740,333</u>	<u>740,333</u>

5. Short term borrowings

ICD from MHRIL	50,000	-
	<u>50,000</u>	<u>-</u>

6. Other Current Liabilities

Audit Fee Payable	34,350	33,708
Other Expenses Payable	44,841	11,236
Interest accrued on ICD from MHRIL	2,764	-
TDS Payable	3,000	-
	<u>84,955</u>	<u>44,944</u>

7. Cash & Cash Equivalents

Cash on hand	-	-
Balances with Banks		
On Current Account	20,300	1,500
	<u>20,300</u>	<u>1,500</u>

8. Finance Costs

Particulars	In Rs.	
	31 st March, 2016	31 st March, 2015
Interest on ICD	2,764	-
	<u>2,764</u>	<u>-</u>

9. Other Expenses

Rates & Taxes	1,797	4,000
Legal and Professional Charges	23,300	43,236
Auditors' Remuneration	34,350	33,708
Training	9,000	-
	<u>68,447</u>	<u>80,944</u>

10. Related party Transactions

There are transactions with related parties, required to be disclosed as per AS 18 on Related Party Disclosure issued by Institute of Chartered Accountants of India, during the year ended March 31, 2016.

a. Names of related parties and nature of relationship where control exists:

Name of the Related Party	Nature of Relationship
Mahindra Holidays & Resorts India Limited	Holding Company
Mahindra & Mahindra Ltd	Ultimate Holding Company

b. The related party transactions are as under:

Name of Related Party	Particulars	Balance
Mahindra Holidays & Resorts India Limited	Other Long term Liabilities	Rs. 740,333
	ICD Outstanding	Rs. 50,000
	Interest accrued & not due (ICD)	Rs. 2,764

Mahindra & Mahindra Limited	Other Payables	Rs. 10,305
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Name of Related Party	Particulars	Balance
Mahindra Holidays & Resorts India Limited	Interest accrued on ICD	Rs. 2,764
Mahindra & Mahindra Limited	Training Expenses	Rs. 9,000

11. Segment Reporting

The Company did not commence commercial operations during the year ended 31st March, 2016. Hence, the disclosure requirement as per AS 17 on Segment Reporting would not be applicable to the company.

12. The previous year numbers have been regrouped/reclassified to correspond with current year's classification/disclosure, wherever deemed necessary.

In terms of our report attached

For **Anil Nair & Associates**

Chartered Accountants

Firm Reg. No.: 000175S

P. Narayanan

Partner

Membership No.: 201758

Place : Chennai

Date : 13th May 2016

For and on behalf of the Board of Directors

Ajay Agarwal

Director

Ravindera Nath Khanna

Director

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their Fifth Annual Report of the Company along with the Financial Statements for the Financial Year ended March 31, 2016.

PERFORMANCE OF THE COMPANY

Your Company is developing a resort property of 120 rooms at Naldhera, Shimla, Himachal Pradesh and the construction of the same is at an advanced stage. Your Company is yet to commence operations. During the year under review, the Company has incurred loss of Rs. 48.61 lakh.

SHARE CAPITAL

(A) AUTHORISED SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company was increased from Rs. 13,50,00,000/- (Rupees Thirteen Crore Fifty Lakh only) divided into 1,35,00,000 (One Crore Thirty Five Lakh only) Equity Shares of Rs. 10/- each (Rupees Ten Only) to Rs. 60,00,00,000/- (Rupees Sixty Crore only) divided into 6,00,00,000 (Six Crore only) Equity Shares of Rs. 10/- each (Rupees Ten Only).

(B) PAID UP SHARE CAPITAL

During the year under review, your Company based on the approval granted by the shareholders at their meeting held on March 14, 2016, had converted the aggregate unsecured Inter Corporate Deposits (ICD) availed from Mahindra Holidays & Resorts India Limited (MHRIL), Holding Company, amounting to Rs. 36,47,86,000/- (Rupees Thirty Six Crore Forty Seven Lakh and Eighty Six Thousand Only) and issued and allotted 3,64,78,600 (Three Crore Sixty Four Lakh Seventy Eight Thousand Six Hundred only) Equity Shares of Rs. 10/- each (Rupees Ten Only) at par to MHRIL.

Consequently, the paid up Share Capital of Company was increased from Rs. 13,20,00,000/- (Rupees Thirteen Crore and Twenty Lakh only) divided into 1,32,00,000 (One Crore Thirty Two Lakh only) Equity Shares of Rs. 10 each (Rupees Ten Only) to Rs. 49,67,86,000/- (Rupees Forty Nine Crore Sixty Seven Lakh and Eighty Six Thousand Only) divided into 4,96,78,600 (Four Crore Ninety Six Lakh Seventy Eight Thousand Six Hundred Only) Equity Shares of Rs. 10/- each (Rupees Ten Only).

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year under review.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves.

HOLDING COMPANY

During the year under review, your Company continues to be a wholly owned subsidiary of Mahindra Holidays & Resorts

India Limited and in turn subsidiary of the ultimate holding Company Mahindra & Mahindra Limited.

AUDITORS' REPORT

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to the financial statements for the year ended March 31, 2016. Information referred in Auditors Report are self-explanatory & do not call for any further comments.

EXTRACT OF THE ANNUAL RETURN

The Extract of the Annual Return in Form No. MGT – 9, as required under sub-section (3) of Section 92 of the Companies Act, 2013 ("the Act") is given in the Annexure I to this Report.

BOARD OF DIRECTORS

As on March 31, 2016, your Company has 5 (five) Directors consisting of 2 (two) Independent Directors and 3 (three) Non-Executive Directors. There were no changes in the Board of Directors during the year under review.

RETIREMENT BY ROTATION

Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora are Independent Directors of the Company and are not liable to retire by rotation. Since Mr. Dinesh Shetty and Mr. Ajay Agarwal were appointed as Directors w.e.f. Annual General Meeting (AGM) held on September 25, 2014 and Mr. Ravindera Nath Khanna had retired by rotation and has been reappointed in the AGM held on September 25, 2015, pursuant to Section 152(6) of the Act and Articles of Association of the Company it was mutually agreed among the Directors that Mr. Dinesh Shetty shall retire by rotation, and being eligible, offers himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act that they meet the criteria of independence as laid down under Section 149(6) of the Act.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND ATTENDANCE

During the year under review, the Board met six times on: April 10, 2015, July 27, 2015, October 26, 2015, January 7, 2016, February 29, 2016 and March 21, 2016. The gap between two Meetings did not exceeding one hundred and twenty days. The details of attendance of Directors at the meetings are given below:

Name of Director	No. of Meeting held	No. of meetings attended
Dinesh Shetty	6	6
Ajay Agarwal	6	4
Ravindera Nath Khanna	6	3
Kanwaljit Singh Thanewal	6	3
Manish Suresh Vora	6	4

AUDIT COMMITTEE

The Audit Committee composition meets with the requirements of Section 177 of the Act. As on March 31, 2016, the Committee comprised of three Directors: Mr. Ajay Agrawal, Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora. Mr. Thanewal and Mr. Vora are Independent Directors. All members of the Committee possess the ability to read and understand the financial statement. The terms of reference of the Committee are in accordance with the requirements of Section 177 of the Act.

During the year under review, the Audit Committee met three times on: April 10, 2015, October 26, 2015 and February 29, 2016. All the Committee members attended all the meetings except, Mr. Kanwaljit Singh Thanewal, who has attended one meeting of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC composition meets with the requirements of Section 178 of the Act. As on March 31, 2016, the Committee comprised of four Directors: Mr. Dinesh Shetty, Mr. Ajay Agrawal, Mr. Kanwaljit Singh Thanewal and Mr. Manish Vora. Mr. Thanewal and Mr. Vora are Independent Directors. The terms of reference of the Committee are in accordance with the requirements of Section 178 of the Act.

During the year under review, the NRC met once on: February 29, 2016. All the Committee members attended the said meeting except, Mr. Kanwaljit Singh Thanewal.

REMUNERATION POLICY

In compliance with Section 178(3) the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The Policy provides that all employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable, which remuneration will be paid in accordance with the laid down Statutes. Further, 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, and it shall be consistent with the competitive position of the salary for similar positions in the industry after considering the Qualifications, Experience, Roles and Responsibilities. Remuneration to the Directors and KMPs are subject to the approval of the Nomination & Remuneration Committee/Board.

BOARD EVALUATION

The Board of Directors have carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act. Evaluation of Independent Directors was also carried out by the entire Board of Directors, excluding the Director being evaluated. In a separate meeting of Independent Directors, the performance of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors, taking into account the views of Non-Independent Directors. The Directors expressed their satisfaction with the evaluation process.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, one Meeting of Independent Directors was held on March 21, 2016 and the same was attended by both the Independent Directors of the Company.

KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Niveta Sharma, Company Secretary and Mr. Dineshwar Dutt Sharma, Manager, resigned from the services of the Company w.e.f. January 31, 2016 and February 29, 2016 respectively. The Board places on record its appreciation for the services rendered by Ms. Niveta Sharma and Mr. Dineshwar Dutt Sharma during their association with the Company.

Ms. Preetha Thanikachalam, an employee of MHRIL had been deputed to the Company and designated as the Chief Financial Officer and Key Managerial Personnel of the Company.

Based on the recommendation of NRC, Mr. Balamurugan PS and Mr. Nirav Momaya, employees of MHRIL, have been deputed to the Company and appointed as Manager for the period of five years and Company Secretary, respectively and designated them as Key Managerial Personnel of the Company w.e.f March 1, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year 2015-16, your Company did not grant any loans or give any guarantees or made investments as per the provisions of Section 186 of the Act.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of contracts/arrangements/transactions with related parties are given in Annexure II in the Form AOC-2.

The Company had entered into the related party transaction in relation to manpower sharing services with Mahindra Holidays & Resorts India Limited (MHRIL), holding company.

Further, the aggregate outstanding amount of Inter Corporate Deposits (ICD) availed from MHRIL at the beginning of FY 2015-16 was Rs. 21,17,86,000/-. During the year, your Company availed ICD from MHRIL amounting to Rs. 17,80,00,000/-. Further, as informed earlier, the Company had converted the part of the outstanding ICD availed from MHRIL amounting to Rs. 36,47,86,000/- into Equity Share Capital consisting of 3,64,78,600 Equity Shares of Rs. 10/- each. As on March 31, 2016, the outstanding ICD availed by your Company from MHRIL was at Rs. 2,50,00,000/-.

Apart from above, there were no transactions with the related parties including Directors and Key Managerial Personnel, which could be considered material and may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to Note 20 to the financial statements which sets out related party disclosure.

STATUTORY AUDITORS

Messrs Vinod Kumar Arora & Associates, Chartered Accountants, Haryana (ICAI Registration Number 012099N), were appointed as Statutory Auditors of the Company for a term of two years, from the conclusion of the Annual General Meeting (AGM) held on September 25, 2015 till the conclusion of AGM to be held in the year 2017, subject to a yearly ratification of such appointment by shareholders at the Annual General Meeting.

Further, as required under the provisions of Section 139 and 141 of the Act, your Company has obtained a written certificate from the Auditors to the effect that their ratification of appointment, if made at the forthcoming AGM, would be in conformity within the limits specified in the said Section. Accordingly, ratification of appointment of Statutory Auditors for the financial year 2016-17 is being sought from the Shareholders of the Company at the ensuing AGM.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2016 and the date of the Directors' Report.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate internal financial controls with reference to financial statements.

DEPOSITS AND LOANS/ADVANCES

Your Company had not accepted any deposits from the public or its employees during the year under review.

Your Company has not made any loans/advances of the nature, which are otherwise required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the parent companies Mahindra Holidays & Resorts India Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company did not carry out any operations during the year and hence disclosure required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to clause (c) of sub-section (3) of Section 134 of the Act, your Directors, confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have 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 at the end of March 31, 2016 and of the loss 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 this 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; and
- (e) 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.

GENERAL

During the year 2015-16, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding Company, Creditors, Banks, Government Authorities, and Employees during the year under review.

For and on behalf of the Board of Directors

Ravindera Nath Khanna	Ajay Agrawal
Director	Director
(DIN: 05349095)	(DIN: 06879842)

Place: Chennai
Date: May 14, 2016

ANNEXURE I TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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	U45209CH2012PTC033473
ii	Registration Date	January 9, 2012
iii	Name of the Company	Gables Promoters Private Limited
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office of the Company	No - 504, Block A, 5th Floor, Elante Office Suites, Plot No - 178-178/A, Industrial Area, Phase 1, Chandigarh - 160001 Ph. No. +912233684722; Fax No. +912233684721; Email - arun.khandelwal@mahindraholidays.com
vi	Whether listed company	No
vii	Name, Address and Contact Details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Products/Services	NIC Code of the Product/ service	% to total turnover of the company
1	Not Applicable		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Susidary/Associate	% of shares held	Applicable Section
1.	Mahindra Holidays & Resorts India Limited Mahindra Towers, 2 nd Floor, 17/18 Patullos Road, Chennai - 600 002	L55101TN1996PLC036595	Holding Company	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2015				No. of Shares held at the end of the year 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1,32,00,000	1,32,00,000	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	-	1,32,00,000	1,32,00,000	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2015				No. of Shares held at the end of the year 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	1,32,00,000	1,32,00,000	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	-	1,32,00,000	1,32,00,000	100.00	-	4,96,78,600	4,96,78,600	100.00	NIL

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2015			Shareholding at the end of the year 31-03-2016			% 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 Holidays & Resorts India Limited	1,32,00,000	100.00	–	4,96,78,600	100.00	–	–
	Total	1,32,00,000	100.00	–	4,96,78,600	100.00	–	–

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

Shareholder's Name	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mahindra Holidays & Resorts India Limited				
At the beginning of the year	1,32,00,000	100.00	1,32,00,000	100.00
Preferential allotment on March 21, 2016	3,64,78,600	–	4,96,78,600	100.00
At the end of the year			4,96,78,600	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
Not Applicable**(v) Shareholding of Directors and Key Managerial Personnel:** None of the Directors and KMPs hold any Shares in the Company**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

				(Rs. in lakh)
	Secured Loans excluding deposits	Unsecured Loans (ICD)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	2,117.86	–	2,117.86
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	127.59	–	127.59
Total (i+ii+iii)	–	2,245.45	–	2,245.45
Change in Indebtedness during the financial year				
+ Addition	–	1,780.00	–	1,780.00
– Reduction	–	(3,647.86)	–	(3,647.86)
Net change	–	(1,867.86)	–	(1,867.86)
Indebtedness at the end of the financial year				
i) Principal Amount	–	250.00	–	250.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	370.16	–	370.16
Total (i+ii+iii)	–	620.16	–	620.16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Dineshwar Dutt Sharma [#]	Balamurugan PS*	
1.	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	–
	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 (A)	–	–	–
	Ceiling as per the Act	N.A.		

[#] resigned w.e.f February 29, 2016

* an employee of Mahindra Holidays & Resorts India Limited (MHRIL), holding company, deputed to the Company and appointed as Manager of the Company at NIL remuneration w.e.f March 1, 2016

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dinesh Shetty	Ravindra Nath Khanna	Ajay Agrawal	Manish Vora	Kanwaljit Singh Thanewal	
3.	Independent Directors						
	Fee for attending Board/Committee meetings	–	–	–	30,000	10,000	40,000
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (1)	–	–	–	30,000	10,000	40,000
4.	Other Non-Executive Directors						
	Fee for attending Board/Committee meetings	–	–	–	–	–	–
	Commission	–	–	–	–	–	–
	Others, please specify	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total (B)=(1+2)	–	–	–	30,000	10,000	40,000
	Total Managerial Remuneration	–	–	–	30,000	10,000	40,000
	Overall Ceiling as per the Act	N.A.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO	Total	
		Niveta Sharma [#]	Nirav Momaya [*]	Preetha Thanikachalam [@]	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,30,000	–	1,67,933	2,97,933
	(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	1,30,000	–	1,67,933	2,97,933

[#] resigned w.e.f February 29, 2016

^{*} an employee of MHRIL, deputed to the Company and appointed as Company Secretary of the Company at NIL remuneration w.e.f March 1, 2016

[@] an employee of MHRIL, deputed to the Company as CFO and the remuneration paid for the period of 11 months.

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.

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Ajay Agrawal
Director
(DIN: 06879842)

Place : Chennai

Date : May 14, 2016

ANNEXURE II TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2016**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	Mahindra Holidays & Resorts India Limited (MHRIL) Holding Company	
(b) Nature of contracts/arrangements/ transactions	Manpower Sharing Services	Inter Corporate Deposits (ICD)
(c) Duration of the contracts/ arrangements/transactions	One year	One Year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Manpower sharing services with MHRIL amounting to Rs. 167,933/-.	ICD taken during the year from MHRIL amounting of Rs. 1,780 lakh, balance outstanding as on March 31, 2016 was Rs. 250 lakh. ICD amounting to Rs. 3,647.86 lakh was converted into equity shares of the Company issued on the preferential basis to MHRIL.
(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.

For and on behalf of the Board of Directors

Ravindera Nath Khanna
Director
(DIN: 05349095)

Ajay Agrawal
Director
(DIN: 06879842)

Place: Chennai

Date: May 14, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Gables Promoters Private Limited

We have audited the accompanying Financial Statements of **Gables Promoters Private Limited ("the Company")**, which comprise of Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss, Cash flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 preparation 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 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 control 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 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 March 31, 2016, and its loss 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, 2016', as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure" a statement on the matters specified in paragraphs 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 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 March 31, 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2016 from being appointed as director in terms Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

For Vinod Kumar Arora & Associates,
Chartered Accountants
Firm Registration No. 012099N

- (i) The Company does not have any pending litigations which would impact its financial position.
- (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.

(Vinod Kumar Arora)
Proprietor
M.No. 091264

Place: Panchkula

Date: 14/05/2016

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GABLES PROMOTERS PRIVATE LIMITED

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

I have audited the internal financial controls over financial reporting of Gables Promoters Private Limited (“the Company”) as of March 31, 2016 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For VINOD KUMAR ARORA & ASSOCIATES
Chartered Accountants
Firm Regn. No. 012099N

(VINOD KUMAR ARORA)
Proprietor
Membership Number : 091264

Place : Panchkula
Dated : 14/05/2016

**ANNEXURE TO THE AUDITOR'S REPORT
RE : M/S GABLES PROMOTERS PRIVATE LIMITED**

(Referred to in paragraph 3 and 4 of our report of even date)

In terms of the information and explanation given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further reports as under:

- (i) (a) Not Applicable, as company does not have any Movable Fixed assets in the previous year nor purchased during the Year. The Company Owns Land only at Village Naldhera. The work of construction of Hotel building thereon is under process during the year.
- (b) Not Applicables, as there is not other fixed assets purchased by the Company except land. During the year the company has not sold/disposed off substantial part of fixed assets.
- (c) The title deeds of the immovable properties are in the name of Company.
- (ii) (a) Not Applicables, as there is no inventory as company has not started its operations.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms and/or other parties listed/covered in the register maintained under Section 189 of the Companies Acts, 2013. Therefore, the provisions of Clause 3(a) to 3(c) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the company has not given any loans, Guarantees and security to anyone in contravening the provisions of Section 185 and 186 of Companies Act, 2013.
- (v) In our opinion and according to the information and explanation given to us, The Company has not accepted any deposits during the year and has not contravened the provisions of Section 73 to 76 and any other provision of the companies act and rules framed there under. However the company has taken inter corporate deposit from its holding company Mahindra Holidays and Resorts India Limited for the purpose of construction of Resort/Hotel. The total and maximum amount involved/outstanding as at the year ended 31/03/2016 was Rs. 25,000,000.00/- (Previous Year – Rs 211,786,000.00) beside interest amounting to Rs. 3,70,16300/-. In our Opinion, the rate of interest and other terms and condition on which these loans were taken are not prima facie prejudicial to the interest.
- (vi) The maintenance of cost records have not been applicable so far as prescribed by the Central Government under Section 148(1) of the Companies Act, 1956 as the companies has not started its operations.
- (vii) (a) The company is regular in depositing the statutory dues in respect of TDS, Service Tax & WCT. There is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than Six Month from the date they became payable.
- (b) According to the information and explanations given to us, no dues in case of sales tax/income tax/custom tax/excise duty/cess/Value Added Tax/WCT have been outstanding on account of dispute with the concerned department.
- (viii) Not applicable, as the company has neither taken any loans from financial institutions/banks nor issue debenture to any. However the company has taken inter corporate deposit from its holding company Mahindra Holidays and Resorts India Limited for the purpose of construction of Resort/Hotels as mentioned above in paragraph V.
- (ix) Not applicable, The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor by way of term loans. During the year the Company has issued a 36,478,600 Nos. of Equity shares to its holding Company "Mahindra Holidays and Resorts India Limited" at par (Rs. 10/- each) by way of converting its inter corporate deposits into equity and has also taken inter corporate deposits from its holding company as stated above.
- (x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- (xi) It has been told that Company has paid & provided the Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Companies Act.
- (xii) Not Applicable, as the company is not a Nidhi Company.
- (xiii) All the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial Statements, as required by the applicable standards.
- (xiv) According to the information and explanations given to us, the Companies has not made any preferential allotment or fully or partly convertible debentures during the year under review. However during the year the Company has issued a 36,478,600 Nos. of Equity shares to its holding Company "Mahindra Holidays and Resorts India Limited" at par (Rs. 10/- each) by way of converting its inter corporate deposits into Equity.
- (xv) According to the information and explanations given to us, the Companies has not entered into non-cash transactions with directors or persons connected with him during the year under review. Hence provisions of Section 192 of Companies Act, 2013 has not been applicable.
- (xvi) According to the information and explanations given to us, the Companies is not required to registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For VINOD KUMAR ARORA & ASSOCIATES
Chartered Accountants
Firm Regn. No. 012099N

(VINOD KUMAR ARORA)
Proprietor
Membership Number : 091264

Place : Panchkula
Dated : 14/05/2016

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	(In Rs.)	
		As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	496,786,000	132,000,000
Reserves and surplus.....	3	(5,433,313)	(571,822)
		<u>491,352,687</u>	<u>131,428,178</u>
Non Current liabilities			
Other Long term liabilities.....	4	15,167,189	7,297,905
		<u>15,167,189</u>	<u>7,297,905</u>
Current liabilities			
Short-term borrowings	5	25,000,000	211,786,000
Other current liabilities	6	38,975,840	17,008,432
		<u>63,975,840</u>	<u>228,794,432</u>
TOTAL		<u><u>570,495,716</u></u>	<u><u>367,520,515</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets.....	7	128,400,010	128,400,010
Capital work-in-progress.....	8	426,700,751	224,293,324
		<u>10,836,845</u>	<u>9,433,604</u>
Other non-current assets	9	10,836,845	9,433,604
		<u>565,937,606</u>	<u>362,126,938</u>
Current assets			
Cash and cash equivalents	10	3,341,893	5,269,977
Short term loans and advances	11	1,216,217	123,600
		<u>4,558,110</u>	<u>5,393,577</u>
TOTAL		<u><u>570,495,716</u></u>	<u><u>367,520,515</u></u>
Significance Accounting Policies	1		
See accompanying notes forming part of the financial statements		-	-

In terms of our report attached.

For Vinod Kumar Arora & Associates

Chartered Accountants

Firm Registration No. 012099N

Vinod Kumar Arora

Proprietor

Membership Number : 091264

Place : Panchkula

Date : 14/05/2016

For and on behalf of the Board of Directors

Ajay Agarwal

Director

Ravindera Nath Khanna

Director

T. Preetha

Chief Financial Officer

Nirav Momaya

Company Secretary

Place : Chennai

Date : 14/05/2016

Balamurugan PS

Manager

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	(In Rs.)	
		Year ended March 31, 2016	Year ended March 31, 2015
REVENUE:			
Revenue from operations		-	-
Other Income	12	12,082	-
Total Revenue		12,082	-
EXPENDITURE:			
Employee benefit expenses	13	321,858	173,097
Other expenses	14	4,551,715	94,873
Total Expenditure		4,873,573	267,970
Profit before tax		(4,861,491)	(267,970)
Tax expense:			
Current tax expense for current year		-	-
Profit/(Loss) for the year		(4,861,491)	(267,970)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Vinod Kumar Arora & Associates

Chartered Accountants

Firm Registration No. 012099N

Vinod Kumar Arora

Proprietor

Membership Number : 091264

Place : Panchkula

Date : 14/05/2016

For and on behalf of the Board of Directors

Ajay Agarwal

Director

Ravindera Nath Khanna

Director

T. Preetha

Chief Financial Officer

Nirav Momaya

Company Secretary

Place : Chennai

Date : 14/05/2016

Balamurugan PS

Manager

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2016

(In Rs.)

Company Information: Gables Promoters Private Limited is incorporated in January, 2012 under the provisions of Companies Act, 1956. The Company is a private limited company incorporated and domiciled in India and has its registered office at Chandigarh. The Company is a 100% subsidiary of Mahindra Holidays and Resorts India Limited. The Company is in the business of running Hotels and Resorts. However the Company has not started its operations as the project is still under construction at Village Naldehra, Himachal Pradesh.

Significant Accounting Policies

a) Accounting Convention:

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 notified under the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 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.

b) Fixed Assets:

Fixed assets are capitalized at acquisition cost, including directly attributable cost of bringing the assets to working condition for its intended use.

c) Use of Estimates and Judgements:

In preparation of the financial statements, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

d) Revenue Recognition:

The company had not commenced commercial operations during the year ended March 31, 2016.

e) Inventories:

The company did not have inventories during the year ended March 31, 2016.

f) Retirement Benefits:

The company has one employee on rolls during the year ended March 31, 2016.

g) Taxes on Income:

Since the company did not have any commercial operations during the year, the question of income tax/deferred tax does not arise.

h) Earnings per share:

Since the company did not have any commercial operations during the year ended March 31, 2016 the Accounting Standard ('AS') 20 on Earnings Per Share, issued by the Institute of Chartered Accountants of India would not be applicable to the Company.

i) Preliminary Expenses:

Preliminary Expenses include all expenses incurred in connection with registration of the company. However the Company has transferred its all Preliminary and Misc. Expenditure amounting to Rs. 797,303/- (relates to earlier years), transferred to Profit and loss during the year audit.

j) Borrowing Cost:

Borrowing cost includes interest. Such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset.

2 Share Capital

Equity Share Capital

Authorised Capital divided into 60,000,000 (Previous year 13,500,000) Shares of Rs. 10/- each.....

	March 31, 2016	March 31, 2015
--	-------------------	-------------------

	600,000,000	135,000,000
	600,000,000	135,000,000

Issued, Subscribed & Paid up 49,678,600

(Previous year 13,200,000) shares of

Rs. 10/- each fully paid up.....

	496,786,000	132,000,000
	496,786,000	132,000,000

(a) Share Capital Reconciliation

Equity share of
Rs. 10/- each fully
paid

	March 31, 2016		March 31, 2015	
	Nos. of Share	(in Rs.)	Nos. of Share	(in Rs.)
At the Opening of the Year.....	13,200,000	132,000,000	13,200,000	132,000,000
Add Fresh Issue	36,478,600	364,786,000	-	-
Closing Balance.....	49,678,600	496,786,000	13,200,000	132,000,000

(During the Year under audit the Company has raised its Authorised Capital (duly approved by the Board) from Rs. 13.20 Cr. to Rs. 60.00 Cr.. The Company also issued 36,478,600 Nos. of Equity shares @ 10/- each to its Holding Company Mahindra Holidays & Resorts India Limited during the Year in lieu of Inter Corporate Loan (deposit) standing in the name of Mahindra Holidays & Resorts India Limited).

(b) Details of Shares held by each share holder holding more than 5% Share

Equity share of Rs. 10/-
each fully paid

	As at March 31, 2016		As at March 31, 2015	
	Nos. of Share	% age of holding	Nos. of Share	% age of holding
Mahindra Holidays & Resorts India Limited.....	49,678,500	100.00%	13,199,900	100.00%
Mahindra Holidays & Resorts India Limited Jointly with Mr. Dinesh Shetty	100	0.00%	100	0.00%
	49,678,600	100.00%	13,200,000	100.00%

(In Rs.)

	March 31, 2016	March 31, 2015
--	-------------------	-------------------

3 Reserves and Surplus

Surplus in Statement of Profit & Loss

As per last balance sheet.....

	(571,822)	(303,852)
--	-----------	-----------

Add:- Profit/(Loss) for the Year.....

	(4,861,491)	(267,970)
--	-------------	-----------

	(5,433,313)	(571,822)
--	-------------	-----------

(In Rs.)

	March 31, 2016	March 31, 2015
--	-------------------	-------------------

4 Non Current Liabilities

Retention.....

	15,167,189	7,297,905
--	------------	-----------

(Interest Free – from Contactors)

	15,167,189	7,297,905
--	------------	-----------

	(In Rs.)	
	March 31, 2016	March 31, 2015
5 Short Term Borrowing		
Loans repayable on demand		
– From Related Persons – Unsecured	25,000,000	211,786,000
(Inter Corporate deposit from Mahindra Holidays & Resorts Pvt Ltd., (Holding Company) payable on demand @ 9.5% Per annum)		
	<u>25,000,000</u>	<u>211,786,000</u>

	(In Rs.)	
	March 31, 2016	March 31, 2015
6 Other Current Liabilities		
Statutory Liabilities.....	1,808,315	1,315,070
Payables relating to Project in progress	47,000	2,873,672
Expenses payable	104,225	60,000
Interest Accrued.....	37,016,300	12,759,690
(Payable to Mahindra Holidays & Resorts Pvt. Ltd. (Holding Company) agt. Loan)		
	<u>38,975,840</u>	<u>17,008,432</u>

7 Fixed Assets

DESCRIPTION OF ASSETS	(In Rs.)									
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the Year	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
LAND	128,400,010	–	–	128,400,010	–	–	–	–	128,400,010	128,400,010
TOTAL.....	128,400,010	–	–	128,400,010	–	–	–	–	128,400,010	128,400,010
PREVIOUS YEAR	128,400,010	–	–	128,400,010	–	–	–	–	128,400,010	128,400,010

	(In Rs.)	
	March 31, 2016	March 31, 2015
8 Capital Work In Process		
As per last balance sheet.....	224,293,324	93,119,593
Add: Cost of Construction during the year ..	175,455,636	117,724,617
Interest on loan.....	26,951,791	13,449,114
	<u>426,700,751</u>	<u>224,293,324</u>
9 Others Non Current Assets		
Mobilization Advance	10,836,845	8,636,301
Preliminary Exps Not written off.....	–	797,303
	<u>10,836,845</u>	<u>9,433,604</u>
10 Cash and cash equivalents		
Cash on hand.....	–	–
Balance with banks		
(i) In Current Account with HDFC.....	2,030,393	5,136,082
(ii) In Current Account with SBI	165,523	–
(iii) In Current Account with IOB.....	133,895	133,895
Other Bank Balances		
(i) In Other Deposit Accounts - including interest	1,012,082	–
	<u>3,341,893</u>	<u>5,269,977</u>
11 Short Term Loans & Advances – (unsecured considered good)		
Loan & advance to employees.....	18,605	–
Loans and advances to Others.....	1,197,612	123,600
	<u>1,216,217</u>	<u>123,600</u>
12 Other Income		
Interest on FD.....	12,082	–
	<u>12,082</u>	<u>–</u>

	(In Rs.)	
	March 31, 2016	March 31, 2015
13 Employee Benefit Exps		
Salaries, Wages and Bonus.....	321,858	173,097
	<u>321,858</u>	<u>173,097</u>
14 Other Expenses		
ROC filing fees.....	3,487,500	–
Miscellaneous Expenses	797,303	–
Professional Charges	141,198	32,597
Audit Fees	75,000	60,000
Director Sitting Fees.....	45,800	–
Bank Charges.....	4,314	–
Rates Fees & Taxes	600	2,276
	<u>4,551,715</u>	<u>94,873</u>
15. Capital Commitment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. 193,173,756.		
16. Segment Reporting:		
The Company did not commence commercial operations during the year ended March 31, 2016. Hence, the disclosure requirement as per AS 17 on Segment Reporting would not be applicable to the company.		
17. Foreign Transactions:		
There is no earning, expenditure or remittance is made in foreign exchange during the year ended March 31, 2016.		
18. Auditors Remuneration:		
Audit Fees: Rs. 75,000/-.		
19. Based on the information available with the company, the balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. NIL as on March 31, 2016.		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**20. Related party Transactions:**

There are transactions with related parties, required to be disclosed as per AS 18 on Related Party Disclosure issued by Institute of Chartered Accountants of India, during the year ended March 31, 2016.

A. Names of related parties and nature of relationship where control exists:

Name of the Related Party	Nature of Relationship
Mahindra Holidays & Resorts India Limited	Holding Company
Key Management Personnel:	
Ms. Niveta Sharma	Company Secretary up to 31st January, 2016
Mr. Nirav Momaya	Company Secretary from 1st March, 2016
Ms. T. Preetha	CFO
Mr. Balamurugan PS	Manager from 1st March, 2016
Mr. Dineshwar Dutt Sharma	Manager Upto 29th February, 2016

B. Disclosures in respect of transactions with related parties:

Name of the Related Party	Nature of the Transaction	Year ended March 31, 2016 (In Rs.)	Year ended March 31, 2015 (In Rs.)
Mahindra Holidays & Resorts India Limited	Inter corporate deposit received	178,000,000	104,179,992
	Interest accrued	26,951,789	14,177,433
Mahindra Holidays & Resorts India Limited	Share Capital	364,786,000	-

Name of the Related Party	Nature of the Transaction	Year ended March 31, 2016 (In Rs.)	Year ended March 31, 2015 (In Rs.)
Mahindra Holidays & Resorts India Limited	Manpower Deputation	167,933	15,216
Key Management Personnel:			
Ms. Niveta Sharma	Managerial Remuneration	130,000	26,000
Ms. T. Preetha		167,933	15,216

C. Disclosures in respect of Payables with related parties

Name of the Related Party	Payables	Year ended March 31, 2016 (In Rs.)	Year ended March 31, 2015 (In Rs.)
Mahindra Holidays & Resorts India Limited	Inter corporate deposit	25,000,000	211,786,000
Mahindra Holidays & Resorts India Limited	Interest Accrued	37,016,301	12,759,690

As per our report of even date For and on behalf of the Board of Directors

For Vinod Kumar Arora & Associates

Chartered Accountants
Firm Regn. No : 012099N

Ajay Agarwal
Director

Ravindera Nath Khanna
Director

Vinod Kumar Arora

Proprietor
Membership No :091264

T. Preetha
Chief Financial Officer

Nirav Momaya
Company Secretary

Place : Panchkula
Date : 14/05/2016

Place : Chennai
Date : 14/05/2016 **Balamurugan PS**
Manager

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company during the financial year ended March 31, 2016.

Your Company continues to be a subsidiary of Mahindra Holidays & Resorts India Limited, a Company incorporated in India.

Your Company was incorporated to carry on the business of buying, obtaining, receiving, renting, leasing, buying on hire purchase, owning, possessing, improving, using, constructing, modifying, developing or otherwise managing any property whatsoever as well as fruits thereof.

Your Company continues to hold 51% of ordinary shares of Infinity Hospitality Group Company Limited.

Your Company has incurred loss of THB 2,706,739 (INR 5,115,737) for the financial year ended March 31, 2016

Mr. Dinesh Shetty, Mr. Ravindera Khanna, Mr. Noppun Muangkote and Mr. Helmut Horst Mekelburg are Directors of the Company.

For MH Boutique Hospitality Limited

Dinesh Shetty
Director

Ravindera Khanna
Director

Dated: April 7, 2016

Report of Independent Auditor

To the Shareholders of MH Boutique Hospitality Limited

I have audited the accompanying financial statements of **MH Boutique Hospitality Limited**, which comprise the statements of financial position as at 31st March, 2016, and the related statement of Income and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit accordance with Thai Standards on Auditing. Those standards require that I 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 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall Presentation of the financial statements.

I believe that the audit evidence I had obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MH Boutique Hospitality Limited as at 31st March 2016, and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Other matter

The financial statement of MH Boutique Hospitality Limited for the year ended 31st March 2016 have been audited by other auditor, whose was expressed an unqualified opinion on those financial statement which audited report dated 4th April, 2015.

(Pongteera Chainsakultam)
Certified Public Accountant (Thailand) No. 9387

Cover Biz Co., Ltd.

Bangkok
7th April, 2016

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2016

	Notes	Currency : Baht	Currency : INR	Currency : Baht	Currency : INR
		31 Mar 2016	31 Mar 2016	31 Mar 2015	31 Mar 2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		62,523	118,169	62,292	117,732
TOTAL CURRENT ASSETS		62,523	118,169	62,292	117,732
NON-CURRENT ASSETS					
Investment in subsidiaries	4	38,000,000	71,820,000	38,000,000	71,820,000
TOTAL NON-CURRENT ASSETS		38,000,000	71,820,000	38,000,000	71,820,000
TOTAL ASSETS		38,062,523	71,938,169	38,062,292	71,937,732
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payable	5	9,166,192	17,324,103	6,458,817	12,207,164
Other current liabilities		0	0	405	765
TOTAL CURRENT LIABILITIES		9,166,192	17,324,103	6,459,222	12,207,930
NON-CURRENT LIABILITIES					
Long-term loan	6	28,000,000	52,920,000	28,000,000	52,920,000
TOTAL NON-CURRENT LIABILITIES		28,000,000	52,920,000	28,000,000	52,920,000
TOTAL LIABILITIES		37,166,192	70,244,103	34,459,222	65,127,930
SHAREHOLDERS' EQUITY					
Authorized share capital					
51,000 preference shares of Baht 100 each		5,100,000	9,639,000	5,100,000	9,639,000
49,000 ordinary shares of Baht 100 each		4,900,000	9,261,000	4,900,000	9,261,000
Issued and paid-up share capital					
51,000 preference shares of Baht 100 each		5,100,000	9,639,000	5,100,000	9,639,000
49,000 ordinary shares of Baht 100 each		4,900,000	9,261,000	4,900,000	9,261,000
Retained earnings (Deficits)		(9,103,669)	(17,205,934)	(6,396,930)	(12,090,197)
TOTAL SHAREHOLDERS' EQUITY		896,331	1,694,066	3,603,070	6,809,803
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		38,062,523	71,938,169	38,062,292	71,937,732

The accompanying notes are an integral part of the financial statements.

Director

STATEMENTS OF INCOME FOR THE YEAR ENDED 31ST MARCH, 2016

		<i>Currency : Baht</i>	<i>Currency : INR</i>	<i>Currency : Baht</i>	<i>Currency : INR</i>
	Notes	31 Mar 2016	31 Mar 2016	31 Mar 2015	31 Mar 2015
REVENUES					
Other income	3	233	441	262	495
TOTAL REVENUES		233	441	262	495
EXPENSES					
Administrative expenses	3	46,972	88,778	40,344	76,249
TOTAL EXPENSES		46,972	88,778	40,344	76,249
EARNINGS BEFORE FINANCIAL COST		(46,739)	(88,337)	(40,082)	(75,755)
Financial costs		2,660,000	5,027,400	2,660,000	5,027,400
NET PROFIT (LOSS)		(2,706,739)	(5,115,737)	(2,700,082)	(5,103,155)

The accompanying notes are an integral part of the financial statements.

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31ST MARCH, 2016

	Issued and paid-up share capital		Retained earnings	Currency : Baht Total
	Preference	Ordinary	(Deficits)	
	BEGINNING BALANCE AS OF 31 MARCH 2014	5,100,000	4,900,000	(3,696,848)
Changes in shareholders' equity for the period				
Net profit (loss) for the period			(2,700,082)	(2,700,081.75)
ENDING BALANCE AS OF 31 MARCH 2015	5,100,000	4,900,000	(6,396,930)	3,603,070.24
Changes in shareholders' equity for the period				
Net profit (loss) for the period			(2,706,739)	(2,706,739.16)
ENDING BALANCE AS OF 31 MARCH 2016	5,100,000	4,900,000	(9,103,669)	896,331.08

The accompanying notes are an integral part of the financial statements.

	Issued and paid-up share capital		Retained earnings	Currency : INR Total
	Preference	Ordinary	(Deficits)	
	BEGINNING BALANCE AS OF 31 MARCH 2014	9,639,000	9,261,000	(6,987,043)
Changes in shareholders' equity for the period	-	-	-	-
Net profit (loss) for the period	-	-	(5,103,155)	(5,103,155)
ENDING BALANCE AS OF 31 MARCH 2015	9,639,000	9,261,000	(12,090,197)	6,809,803
Changes in shareholders' equity for the period	-	-	-	-
Net profit (loss) for the period	-	-	(5,115,737)	(5,115,737)
ENDING BALANCE AS OF 31 MARCH 2016	9,639,000	9,261,000	(17,205,934)	1,694,066

The accompanying notes are an integral part of the financial statements.

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

1. GENERAL INFORMATION

Company status

MH Boutique Hospitality Limited, "The Company", is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on 10th October, 2012 with registration no. 0105555151500.

Place of company

33/118-119 23rd Floor Wall street Tower, Surawongse, Suriyawongse, Bangrak, Bangkok.

Business and operation

The objective of the Company is to become a partner with limited liability in a partnership or a shareholder in a private limited company and a public limited company.

2. BASIC OF FINANCIAL STATEMENT PREPARATION

The company financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E. 2554) under the Accounting Profession Act B.E. 2547 which is effective on the financial statements for fiscal year beginning on or after 1st January, 2011.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E. 2554 dated 28th September, 2011, issued under the Accounting Act B.E. 2543 which is effective on the financial statements for fiscal year beginning on or after 1st January, 2011.

The company financial statements have been prepared under the historical cost convention, except those explain in accounting policies.

5. TRADE AND OTHER PAYABLES

Consist of:

Accrued Interest expenses - Related parties (Note 6)

Accrued Interest expenses for withholding tax

Accrued expenses

Other payable - Related parties (Note 6)

Total

3. SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

3.2 Investment

Investment in subsidiary, associated and other companies are stated at cost. An allowance for impairment loss will be made when the net realisable value of the investment is lower than its cost.

3.3 Revenue and expenses recognition

The company record other revenue and expenses based on accrual basis.

4. INVESTMENT IN SUBSIDIARIES

On 5th November, 2012, the company invested in 51% of Infinity Hospitality Company Limited as a subsidiary company, which had authorised capital of Baht 150 million divided into 150,000 ordinary shares at a par value of Baht 100.

Details of the company's subsidiaries, as at 31st March, 2016 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)
Investment in subsidiaries			
Infinity Hospitality Group Co., Ltd.	Hotel	Thailand	51

	Currency : Baht	Currency : INR	Currency : Baht	Currency : INR
	31 Mar 2016	31 Mar 2016	31 Mar 2015	31 Mar 2015
Accrued Interest expenses - Related parties (Note 6)	7,669,143	14,494,680	5,408,143	10,221,390
Accrued Interest expenses for withholding tax	1,353,378	2,557,885	954,378	1,803,775
Accrued expenses	23,210	43,867	24,815	46,900
Other payable - Related parties (Note 6)	120,461	227,671	71,481	135,099
Total	9,166,192	17,324,103	6,458,817	12,207,164

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016**6. RELATED PARTIES TRANSACTIONS**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of Incorporation/ Nationality	Nature of Relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest charged	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

	Currency : Baht 31 Mar 2016	Currency : INR 31 Mar 2016	Currency : Baht 31 Mar 2015	Currency : INR 31 Mar 2015
Expenses				
Mahindra Holidays & Resorts India Limited	2,660,000	5,027,400	2,660,000	5,027,400
Payable				
Mahindra Holidays & Resorts India Limited	7,669,143	14,494,680	5,408,143	10,221,390
Infinity Hospitality Group Co., Ltd.	120,461	227,671	71,481	135,099
Loan from related parties				
Mahindra Holidays & Resorts India Limited	28,000,000	52,920,000	28,000,000	52,920,000
Interest Rate	9.50%	9.50%	9.50%	9.50%

7. APPROVAL OF FINANCIAL STATEMENT

These financial statements were authorised for issue by company's authorised director on 7th April, 2016.

8. FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.89 = THB 1 which is the Bloomberg rate as on 31st March, 2016.

Director

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company during the financial year ended March 31, 2016

Your Company continues to be a subsidiary of MH Boutique Hospitality Limited and in turn subsidiary of Mahindra Holidays & Resorts India Limited, a company incorporated in India.

During the year under review, your Company's hotel property was fully operational. Further, the Company has earned a revenue of THB 43,447,548.53 (INR 82,115,867) for the financial year ended March 31, 2016. Your Company has earned profit of THB 485,829 (INR 918,217) for the financial year ended March 31, 2016

Mr. Dinesh Shetty, Mr. Ravindera Khanna, Mr. Helmut Horst Mekelburg, Mr. Ajay Agrawal (Appointed w.e.f. October 21, 2015) and Mr. Vishant Potri (Appointed w.e.f. February 16, 2016) are the Directors of the Company.

For Infinity Hospitality Group Company Limited

Vishant Potri
Director

Ajay Agrawal
Director

Dated: April 7, 2016

REPORT OF INDEPENDENT AUDITOR

To the Shareholders of **Infinity Hospitality Group Company Limited**

I have audited the accompanying financial statements of **Infinity Hospitality Group Company Limited**, which comprise the statements of financial position as at 31st March 2016, and the related statement of income and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit accordance with Thai Standards on Auditing. Those standards require that I 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 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of accounting estimates made by management as well as evaluating the overall Presentation of the financial statements.

I believe that the audit evidence I has obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Infinity Hospitality Group Company Limited as at 31st March 2016, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Emphasis of Matter

Without qualifying my opinion, I draw attention to notes 11 and 12 to the financial statements describing the change in accounting policy. The corresponding figures presented are based on the financial statements as at and for the year ended 31st March 2015 after making the adjustments described in notes 11 and 12.

Other matter

The financial statement of Infinity Hospitality Group Company Limited for the year ended 31st March 2015 have been audited by other auditor, whose was expressed an unqualified opinion on those financial statement which audited report dated 4th April, 2015.

(Pongteera Chainsakultam)

Certified Public Accountant (Thailand) No. 9387

Cover Biz Company Limited

Bangkok

7th April, 2016

**STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH, 2016**

	Notes	ASSETS			
		2016		Restated 2015	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
CURRENT ASSETS					
Cash and cash equivalents	3	3,272,159	6,184,381	3,157,464	5,967,606
Temporary investment.....		419,176	792,243	413,850	782,177
Trade and other receivables	3 & 4	23,104,690	43,667,864	16,003,366	30,246,361
Inventory	3 & 5	383,979	725,720	241,192	455,852
Other current assets.....		530,280	1,002,229	377,451	713,382
TOTAL CURRENT ASSETS		27,710,285	52,372,438	20,193,322	38,165,379
NON-CURRENT ASSETS					
Property, plant and equipment – net.....	3 & 6	183,483,340	346,783,513	186,259,552	352,030,553
Intangible assets – net.....	3 & 7	118,537	224,036	148,438	280,547
Other non-current assets		395,000	746,550	395,000	746,550
TOTAL NON-CURRENT ASSETS.....		183,996,878	347,754,099	186,802,990	353,057,651
TOTAL ASSETS		211,707,162	400,126,537	206,996,312	391,223,029

The accompanying notes are an integral part of the financial statements.

Director

**STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH, 2016 (Contd)**
LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	2016		Restated 2015	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
CURRENT LIABILITIES					
Trade and other payable.....	8	31,175,925	58,922,498	27,398,119	51,782,445
Other current liabilities	9	1,636,000	3,092,040	1,188,784	2,246,801
TOTAL CURRENT LIABILITIES.....		32,811,925	62,014,537	28,586,903	54,029,246
NON-CURRENT LIABILITIES					
Long-term loan	10	137,000,000	258,930,000	137,000,000	258,930,000
TOTAL NON-CURRENT LIABILITIES		137,000,000	258,930,000	137,000,000	258,930,000
TOTAL LIABILITIES.....		169,811,925	320,944,537	165,586,903	312,959,246
SHAREHOLDERS' EQUITY					
Authorized share capital					
1,500,000 ordinary shares of					
Baht 100 each.....					
		150,000,000	283,500,000	150,000,000	283,500,000
Issued and paid-up share capital					
1,500,000 ordinary shares of					
Baht 100 each.....					
		150,000,000	283,500,000	150,000,000	283,500,000
Retained earnings (Deficits).....					
		(108,104,762)	(204,318,001)	(108,590,591)	(205,236,217)
TOTAL SHAREHOLDERS' EQUITY		41,895,238	79,181,999	41,409,409	78,263,783
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		211,707,162	400,126,537	206,996,312	391,223,029

The accompanying notes are an integral part of the financial statements.

Director

**STATEMENT OF INCOME
FOR THE YEAR ENDED 31ST MARCH, 2016**

	Notes	2016		Restated 2015	
		Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
REVENUES	3				
Revenue from rent and services.....		43,339,800	81,912,223	31,072,638	58,727,286
Other income.....		107,748	203,644	13,404	25,334
TOTAL REVENUES.....		43,447,549	82,115,867	31,086,042	58,752,620
EXPENSES	3				
Cost of rent and services.....		18,650,360	35,249,180	18,411,296	34,797,349
Selling expenses		2,448,626	4,627,902	2,084,756	3,940,190
Administrative expenses		8,847,734	16,722,218	7,725,191	14,600,610
TOTAL EXPENSES		29,946,720	56,599,300	28,221,243	53,338,149
EARNINGS BEFORE FINANCIAL COST		13,500,829	25,516,567	2,864,799	5,414,471
Financial costs.....		(13,015,000)	(24,598,350)	(13,015,000)	(24,598,350)
EARNINGS BEFORE CORPORATE INCOME TAX....		485,829	918,217	(10,150,201)	(19,183,879)
NET PROFIT (LOSS).....		485,829	918,217	(10,150,201)	(19,183,879)

The accompanying notes are an integral part of the financial statements.

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31ST MARCH, 2016

			Currency : Baht		
	Notes	<u>Issued and paid-up share capital</u>	<u>Retained earnings (Deficits)</u>	<u>Total</u>	
Beginning balance as of 31ST March, 2014		150,000,000	(98,243,665)	51,756,335	
Cumulative effect of accounting change	11	–	(196,725)	(196,725)	
Balance after correction		150,000,000	(98,440,391)	51,559,609	
Changes in shareholders' equity for the period					
Net profit (loss) for the period		–	(10,150,201)	(10,150,201)	
Ending balance as of 31ST March, 2015		150,000,000	(108,590,591)	41,409,409	
Cumulative effect of accounting change		–	–	–	
Balance after correction		150,000,000	(108,590,591)	41,409,409	
Changes in shareholders' equity for the period					
Net profit (loss) for the period		–	485,829	485,829	
Ending balance as of 31ST March, 2016		150,000,000	(108,104,762)	41,895,238	

			Currency : INR		
	Notes	<u>Issued and paid-up share capital</u>	<u>Retained earnings (Deficits)</u>	<u>Total</u>	
Beginning balance as of 31st March, 2014		283,500,000	(185,680,527)	97,819,473	
Cumulative effect of accounting change	11	–	(371,811)	(371,811)	
Balance after correction		283,500,000	(186,052,338)	97,447,662	
Changes in shareholders' equity for the period					
Net profit (loss) for the period		–	(19,183,879)	(19,183,879)	
Ending balance as of 31st March, 2015		283,500,000	(205,236,217)	78,263,783	
Cumulative effect of accounting change		–	–	–	
Balance after correction		283,500,000	(205,236,217)	78,263,783	
Changes in shareholders' equity for the period					
Net profit (loss) for the period		–	918,216	918,216	
Ending balance as of 31st March, 2016		283,500,000	(204,318,001)	79,181,999	

The accompanying notes are an integral part of the financial statements.

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31st MARCH, 2016

1 GENERAL INFORMATION

Company status

Infinity Hospitality Group Company Limited, "The Company", is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on 6th May, 2005, with registration no. 0105548060791.

Place of company

20, Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Rd., North Klongtoey, Wattana, Bangkok, Thailand.

Business and operation

The objective of the Company are services and rent of hotel, apartment, mansion and condominium.

2 BASIC OF FINANCIAL STATEMENT PREPARATION

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E. 2554) under the Accounting Profession Act B.E. 2547 which is effective on the financial statements for fiscal year beginning on or after 1st January, 2011.

The management of the Company assessed that there is no material effects of this standard for the period in which they are initially applied.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E. 2554 dated 28th September, 2011, issued under the Accounting Act B.E. 2543 which is effective on the financial statements for fiscal year beginning on or after 1st January, 2011.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

3.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost being determined on first-in, first-out method. The Company determine to accrue provision for decline in value of inventories on deteriorated or obsolescent inventories.

3.3 Property, plant and equipment

Land are stated at cost, Building and Equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by a straight-line method over their estimated useful life as follows:

	Useful life	
Land	0	Years
Building	20	Years
Improvement & Decoration	20.5	Years
Furniture Fixture & Equipment	5	Years
General equipment	5	Years
Computer	5	Years

3.4 Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated by reference to their costs on the straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows :

	Year life	
Computer software	5	Years

3.5 Employee benefits

Salaries, wages and contributions to the social security fund are recognized as expenses when incurred.

3.6 Provisions and contingent liabilities

The Company recongnized provision in the best estimated amount of expenses which have to be paid on current obligation as at the end of accounting period.

3.7 Revenue and expenses recognition

Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered. The company record other revenue and expenses base on accrual basis.

3.8 Income tax expense

The Company record income tax as expenses by calculating on profit and loss of tax regulation basis.

4 TRADE AND OTHER RECEIVABLES

Consist of:

	2016	2016	Restated 2015	Restated 2015
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Accounts Receivable - Trade	589,274	1,113,728	584,221	1,104,178
Accrued income - related parties (Note 10)	22,140,459	41,845,467	15,222,588	28,770,690
Other account receivables - related parties (Note 10)	120,461	227,671	71,481	135,099
Prepaid expenses	254,496	480,998	125,076	236,394
Total	23,104,690	43,667,864	16,003,366	30,246,361

5 INVENTORY

Consist of:

	2016	2016	Restated 2015	Restated 2015
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Finished Goods	383,979	725,720	241,192	455,852
Total	383,979	725,720	241,192	455,852

Director

6 PROPERTY, PLANT AND EQUIPMENT

								Currency : Baht
Consist of:	Land	Building	Improvement & Decoration	Furniture Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost								
As at 31 st March, 2015	114,770,000	108,968,618	–	5,258,164	–	109,976	175,000	229,281,758
Acquisitions	–	–	2,712,105	132,158	175,293	76,150	–	3,095,706
Disposals	–	–	–	–	–	–	–	–
Adjustment/Reclassification	–	–	1,835,863	(4,545,524)	2,291,606	384,255	–	(33,800)
As at 31 st March, 2016	114,770,000	108,968,618	4,547,969	844,798	2,466,898	570,381	175,000	232,343,664
Accumulated depreciation								
As at 31 st March, 2015	–	38,736,309	–	4,090,929	–	19,969	174,999	43,022,206
Depreciation for the period	–	5,459,647	11,486	147,544	202,088	46,220	–	5,866,984
Depreciation on disposals	–	–	–	–	–	–	–	–
Adjustment/Reclassification	–	–	1,835,834	(3,906,122)	1,704,033	337,388	–	(28,866)
As at 31 st March, 2016	–	44,195,956	1,847,320	332,351	1,906,121	403,577	174,999	48,860,324
Net book value								
As at 31 st March, 2015	114,770,000	70,232,309	–	1,167,235	–	90,007	1.00	186,259,552
As at 31 st March, 2016	114,770,000	64,772,662	2,700,649	512,447	560,777	166,803	1.00	183,483,340
Depreciation for the year								
For the year ended 31 st March, 2015 (Included in cost and administrative expenses)								5,808,775
For the year ended 31 st March, 2016 (Included in cost and administrative expenses)								5,866,984

								Currency : INR
Consist of:	Land	Building	Improvement & Decoration	Furniture Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost								
As at 31 st March, 2015	216,915,300	205,950,688	–	9,937,930	–	207,854	330,750	433,342,523
Acquisitions	–	–	5,125,879	249,779	331,303	143,924	–	5,850,885
Disposals	–	–	–	–	–	–	–	–
Adjustment/Reclassification	–	–	3,469,781	(8,591,040)	4,331,135	726,242	–	(63,882)
As at 31 st March, 2016	216,915,300	205,950,688	8,595,661	1,596,669	4,662,437	1,078,020	330,750	439,129,525
Accumulated depreciation								
As at 31 st March, 2015	–	73,211,625	–	7,731,856	–	37,741	330,748	81,311,969
Depreciation for the period	–	10,318,732	21,708	278,858	381,946	87,356	–	11,088,600
Depreciation on disposals	–	–	–	–	–	–	–	–
Adjustment/Reclassification	–	–	3,469,727	(7,382,570)	3,220,622	637,664.09	–	(54,558)
As at 31 st March, 2016	–	83,530,357	3,491,434	628,144	3,602,568	762,761	330,748	92,346,012
Net book value								
As at 31 st March, 2015	216,915,300	132,739,064	–	2,206,075	–	170,113	1.89	352,030,553
As at 31 st March, 2016	216,915,300	122,420,332	5,104,226	968,525	1,059,869	315,259	1.89	346,783,513
Depreciation for the year								
For the year ended 31 st March, 2015 (Included in cost and administrative expenses)								10,978,585
For the year ended 31 st March, 2016 (Included in cost and administrative expenses)								11,088,600

Director

NOTES TO FINANCIAL STATEMENTS AS AT 31st MARCH 2016 (Contd)

7 INTANGIBLE ASSETS

Consist of:	Currency: Baht	
	Computer Software	Total
Cost		
As at 1 st April, 2015	607,484	607,484
Acquisitions	6,850	6,850
Disposals	-	-
Adjustment/Reclassification	33,800	33,800
As at 31 st March, 2016	648,134	648,134
Accumulated amortisation		
As at 1 st April, 2015	459,046	459,046
Amortisation for the period	41,684	41,684
Depreciation on disposals	-	-
Adjustment/Reclassification	28,866	28,866
As at 31 st March, 2016	529,597	529,597
Net book value		
As at 1 st April, 2015	148,438	148,438
As at 31 st March, 2016	118,537	118,537
Amortisation for the period		
For the year ended 31 st March, 2015 (Included in cost and administrative expenses)		30,802
For the year ended 31 st March, 2016 (Included in cost and administrative expenses)		41,684

Consist of:	Currency: INR	
	Computer Software	Total
Cost		
As at 1 st April 2015	1,148,145	1,148,145
Acquisitions	12,947	12,947
Disposals	-	-
Adjustment/Reclassification	63,882	63,882
As at 31 st March 2016	1,224,973	1,224,973
Accumulated amortisation		
As at 1 st April 2015	867,597	867,597
Amortisation for the period	78,782	78,782
Depreciation on disposals	-	-
Adjustment/Reclassification	54,558	54,558
As at 31 st March 2016	1,000,938	1,000,938
Net book value		
As at 1 st April 2015	280,547	280,547
As at 31 st March 2016	224,036	224,036
Amortisation for the period		
For the year ended 31 st March, 2015 (Included in cost and administrative expenses)		58,217
For the year ended 31 st March, 2016 (Included in cost and administrative expenses)		78,782

8 TRADE AND OTHER PAYABLES

Consist of:	2016	2016	Restated 2015	Restated 2015
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Trade payables	1,419,624	2,683,089	661,855	1,250,907
Advance received	11,869	22,433	116,823	220,796
Accrued interest expenses - related parties (Note 10)	24,853,300	46,972,738	22,125,500	41,817,195
Accrued interest expenses for withholding tax	4,385,877	8,289,307	3,904,500	7,379,505
Accrued service charge	197,782	373,808	203,389	384,405
Accrued expenses	307,473	581,124	386,052	729,638
Total	31,175,925	58,922,498	27,398,119	51,782,445

9 OTHER CURRENT LIABILITIES

Consist of:	2016	2016	Restated 2015	Restated 2015
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Unrealised output tax	1,486,407	2,809,308	1,034,097	1,954,443
Value added tax payable	83,839	158,455	99,646	188,331
Withholding tax payable	17,917	33,862	12,277	23,203
Social Security tax payable	47,838	90,414	42,764	80,824
Total	1,636,000	3,092,040	1,188,784	2,246,801

10 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder
MH Boutique Co., Ltd.	Thailand	51% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rent and services	Contractually agreed rate
Interest charged	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

	2016	2016	Restated 2015	Restated 2015
	Currency: Baht	Currency: INR	Currency: Baht	Currency: INR
Income				
Mahindra Holidays & Resorts India Limited (Included VAT 7%)	22,129,071	41,823,945	7,971,600	15,066,324
Expenses				
Mahindra Holidays & Resorts India Limited	13,015,000	24,598,350	13,015,000	24,598,350
Receivable				
Mahindra Holidays & Resorts India Limited	22,140,459	41,845,467	15,222,588	28,770,690
MH Botique Co., Ltd.	120,461	227,671	71,481	135,099
Payable				
Mahindra Holidays & Resorts India Limited	24,853,300	46,972,738	22,125,500	41,817,195
Loan from related parties				
Mahindra Holidays & Resorts India Limited	137,000,000	258,930,000	137,000,000	258,930,000
Interest rate	9.5%	9.5%	9.5%	9.5%

11 CHANGE IN ACCOUNTING POLICY

On 1st April, 2015, the company changed its accounting policy for recognition of service charge from recording the full amount of service charge billed to customers as revenue and the portion paid to employee as wage expenses to directly recording in liabilities and recognize revenue from service charge in net amount after deduction of employee payment in order to align with the parent company's policy of accounting service charges.

In accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities for accounting policies, errors and estimates, this change in accounting policy has been applied retrospectively to the company's financial statements for all periods presented with the following impact on the 2015 financial statements:

	Currency: Baht	Currency: INR
	31 st March, 2015	31 st March, 2015
Statements of financial position		
Increase in trade and other payable	203,389	384,405
Decrease in Beginning of Retained earnings (Deficits)	(196,725)	(371,811)
Profit and loss statement		
Decrease in Revenue from rent and services	(1,769,324)	(3,344,022)
Decrease in Selling expenses	(1,762,660)	(3,331,428)

12 RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 2015 financial statements have been reclassified to conform to the presentation in the 2016 financial statements. These reclassification have been made including changes in accounting policies as disclosed in note 11 and others. The significant reclassification were as follows:

	Currency: Baht	Currency: Baht	Currency: Baht	Currency: INR	Currency: INR	Currency: INR
	Before Reclass	Reclass	After Reclass	Before Reclass	Reclass	After Reclass
Statements of financial position						
Trade and other payable	27,194,731	203,389	27,398,119	51,398,041	384,405	51,782,445
Retained earnings (Deficits)	(108,387,202)	(203,389)	(108,590,591)	(204,851,812)	(384,405)	(205,236,217)
Profit and loss statement						
Revenue from rent and services	32,841,962	(1,769,324)	31,072,638	62,071,308	(3,344,022)	58,727,286
Cost of rent and services	13,074,120	5,337,176	18,411,296	24,710,086	10,087,263	34,797,349
Selling expenses	12,281,764	(10,197,008)	2,084,756	23,212,534	(19,272,344)	3,940,190
Administrative expenses	4,628,019	3,097,171	7,725,191	8,746,957	5,853,653	14,600,610

13 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on 7th April, 2016.

- 14 FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 1.89 = THB 1 which is the Bloomberg rate as on 31st March, 2016.

Director

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended March 31, 2016.

Principal Activity

The Company's principal activities are holding of investment and leasing of properties.

There have been no significant changes in the nature of the principal activities during the financial year under review.

Financial Results

	RM	INR
Net loss before taxation	(74,722)	(1,276,999)
Taxation	(5,100)	(87,159)
Net loss for the year	(79,822)	(1,364,158)

Dividends

No dividends was proposed during the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year under review.

Issue of Shares and Debentures

The Company did not issue any shares and debentures during the financial year.

Options

No option has been granted during the financial year under review to take up unissued shares in the Company.

Directors

The names of the directors of the Company who held office since the date of the last report and at the date of this report are:-

Ravindera Nath Khanna

Koh Yeow York

Koh Tong Ngee

Ajay Agarwal

Dinesh Shivanna Shetty

Directors' Interest

According to the register of directors' shareholding, none of the directors in office at the end of the financial year had interest in the ordinary shares of the Company.

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire

benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

No director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emolument received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Bad and Doubtful Debts

Before the income statement and the balance sheet were made out, the directors took reasonable steps to ascertain that action has been taken in relation to the writing off of and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

Current Assets

Before the income statement and the balance sheet were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Company misleading.

Valuation Methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Contingent and Other Liabilities

At the date of this report, there does not exist:

- a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve

months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company to meet its obligations when they fall due.

Change of Circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amounts stated in the financial statements misleading.

Items of an Unusual Nature

The results of the operations of the Company for the financial year under review were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Holding Company

The holding company is Mahindra Holidays & Resorts India Ltd., a company incorporated in India, which holds the entire issued and paid up capital of the Company.

Auditors

The auditors, Messrs. Lloyds.Earle.Panicker, Chartered Accountants, have intimated their willingness to continue in office in accordance with Section 172(2) of the Companies Act, 1965.

Signed on behalf of the board of directors in accordance with a resolution of the directors.

AJAY AGARWAL
Director

RAVINDERA NATH KHANNA
Director

Dated: May 11, 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HERITAGE BIRD (M) SDN. BHD.

Report on the Financial Statements

We have audited the financial statements of Heritage Bird (M) Sdn. Bhd., which comprise the balance sheet as at 31st March 2016, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 19.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31st March 2016 and of its financial performance and cash flows for the year then ended.

Emphasis of matter

Without qualifying our opinion, we wish to draw attention to Note 14 of the notes to the financial statements. The Company has incurred losses which exceed the issued and fully paid-up capital of the Company. However, the financial statements have been prepared on a going concern basis, which is dependent upon the future profitable operations and additional finance sufficient to sustain such operations.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

LLOYDS.EARLE.PANICKER
A.F. 0604
Chartered Accountants

KESAVAN K. PANICKER
761/03/17(J)
Partner of Firm

Place : Kuala Lumpur
Dated : 11th May, 2016

BALANCE SHEET AS AT 31 MARCH, 2016

	Note	F-2016 In MYR	F-2016 In INR	F-2015 In MYR	F-2015 In INR
NON CURRENT ASSETS					
Property, plant and equipment	5	4,150,524	70,932,455	4,249,346	72,621,323
CURRENT ASSETS					
Trade Receivables	6	6,615	113,050	204,924	3,502,151
Non-Trade Receivables		47,430	810,579	47,430	810,579
Cash at Bank		123,103	2,103,830	69,797	1,192,831
		177,148	3,027,459	322,151	5,505,561
CURRENT LIABILITIES					
Trade Payables		193,431	3,305,736	74,640	1,275,598
Non-Trade Payables		84,671	1,447,027	96,929	1,656,517
Amount due to Directors	7	14,000	239,260	14,000	239,260
Amount due to holding company	8	4,488,199	76,703,321	4,763,835	81,413,940
Taxation		6,000	102,540	900	15,381
		4,786,301	81,797,884	4,950,304	84,600,695
Net Current Liabilities		(4,609,153)	(78,770,425)	(4,628,153)	(79,095,135)
		(458,629)	(7,837,970)	(378,807)	(6,473,812)
FINANCED BY:					
Share Capital	9	300,002	5,127,034	300,002	5,127,034
Accumulated loss		(758,631)	(12,965,004)	(678,809)	(11,600,846)
SHAREHOLDER'S EQUITY		(458,629)	(7,837,970)	(378,807)	(6,473,812)

The notes form an integral part of these Financial statements

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	Note	F-2016 In MYR	F-2016 In INR	F-2015 In MYR	F-2015 In INR
Revenue	10	905,281	15,471,252	897,620	15,340,326
Cost of Sales		314,213	5,369,900	325,799	5,567,905
Gross Profit		591,068	10,101,352	571,821	9,772,421
Administration Expenses		256,815	4,388,968	262,496	4,486,057
Profit from operations	11	334,253	5,712,384	309,325	5,286,364
Finance Charges	12	408,975	6,989,383	408,975	6,989,383
Net Loss before taxation		(74,722)	(1,276,999)	(99,650)	(1,703,019)
Taxation	13	5,100	87,159	2,900	49,561
Net Loss for the year		(79,822)	(1,364,158)	(102,550)	(1,752,580)

The notes form an integral part of these financial statements.

CASH FLOWS STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	F-2016 In MYR	F-2016 In INR	F-2015 In MYR	F-2015 In INR
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss before taxation	(74,722)	(1,276,999)	(99,650)	(1,703,019)
Adjustment:				
Depreciation on property, plant & equipments	98,822	1,688,868	98,822	1,688,868
Operating profit/(loss) before working capital changes	24,100	411,869	(828)	(14,151)
Changes in receivables	198,309	3,389,101	476,190	8,138,087
Changes in payables	106,533	1,820,649	(124,137)	(2,121,501)
Cash generated from/(absorbed by) operations	328,942	5,621,619	351,225	6,002,435
Taxes paid	-	-	(11,400)	(194,826)
Net cash from operating activities	328,942	5,621,619	339,825	5,807,609
CASH FLOW FROM INVESTING ACTIVITIES				
	-	-	-	-
CASH FLOW FROM FINANCING ACTIVITIES				
Amount due to directors	-	-	14,000	239,260
Amount due to holding company	(275,636)	(4,710,619)	(368,079)	(6,290,470)
Net cash used in financing activities	(275,636)	(4,710,619)	(354,079)	(6,051,210)
Net Increase/(Decrease) in cash and cash equivalents	53,306	911,000	(14,254)	(243,601)
Cash and cash equivalents brought forward	69,797	1,192,831	84,051	1,436,432
Cash and cash equivalents carried forward	123,103	2,103,830	69,797	1,192,831

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2016

	Share Capital	Accumulated Losses	Total
	In MYR	In MYR	In MYR
Balance as at 31 st March, 2014	300,002	(576,259)	(276,257)
Loss for the year	–	(102,550)	(102,550)
Balance as at 31 st March, 2015	300,002	(678,809)	(378,807)
Loss for the year	–	(79,822)	(79,822)
Balance as at 31 st March, 2016	<u>300,002</u>	<u>(758,631)</u>	<u>(458,629)</u>

	Share Capital	Accumulated Losses	Total
	In INR	In INR	In INR
Balance as at 31 st March, 2014	5,127,034	(9,848,266)	(4,721,232)
Loss for the year	–	(1,752,580)	(1,752,580)
Balance as at 31 st March, 2015	5,127,034	(11,600,846)	(6,473,812)
Loss for the year	–	(1,364,158)	(1,364,158)
Balance as at 31 st March, 2016	<u>5,127,034</u>	<u>(12,965,004)</u>	<u>(7,837,970)</u>

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH, 2016

1. PRINCIPAL ACTIVITIES

The Company's principal activities are holding of investment properties and provision of time-sharing services.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

a) Liquidity and cash flow risks

The Company ensures that there are adequate funds to meet all their obligations in a timely and cost-effective manner.

b) Foreign currency risk

The Company is exposed to foreign currency risk as a result of its normal trading activities where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Company manages its exposure to foreign currency risk by monitoring fluctuations in foreign exchange and by timing its payments in foreign currencies accordingly.

Apart from the above, the Company does not face any material financial risks in other areas such as credit risk, interest rate risk, market risk, etc.

4. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated.

b) Cash and cash equivalents

Cash comprises cash at bank and in hand including bank overdraft and deposits. Cash equivalents comprises investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

c) Income tax

Income tax on the profit or loss for the year comprises current and deferred taxes. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year. It is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities and their tax bases at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are not recognised on temporary differences arising from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled. The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity. In

this case the deferred tax is charged or credited directly in equity. When the deferred tax arises from a business combination that is an acquisition, it is included in the resulting goodwill or negative goodwill.

d) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, trade and other receivables and payables and borrowings. The accounting policies on recognition and measurement of these items are disclosed in the individual accounting policies with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the respective contractual arrangements. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

e) Provisions

Provisions are recognised when the Company has a present legal and constructive obligation as a result of a past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

f) Foreign currency transactions and balances

Transaction in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the time of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate ruling at the balance sheet date.

g) Trade receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amount at the period end.

h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses.

Depreciation is provided on the straight line method to write off each asset over its estimated useful life. The principal rates used are as follows:

Furniture and fittings	10%
Freehold building	2%

i) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

j) Revenue recognition

Revenue is recognised on invoiced value of sales, less credit notes issued.

5. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings In MYR	Freehold Building In MYR	Total In MYR
Net Book Value:			
Opening balance	–	4,249,346	4,249,346
Depreciation charge	–	(98,822)	(98,822)
Closing balance	–	4,150,524	4,150,524
As at 31 March 2015			
Cost	50,254	4,941,100	4,991,354
Accumulated depreciation	(50,254)	(691,754)	(742,008)
Net book value	–	4,249,346	4,249,346
As at 31 March 2016			
Cost	50,254	4,941,100	4,991,354
Accumulated depreciation	(50,254)	(790,576)	(840,830)
Net book value	–	4,150,524	4,150,524
	Furniture and fittings In INR	Freehold Building In INR	Total In INR
Net Book Value:			
Opening balance	–	72,621,323	72,621,323
Depreciation charge	–	(1,688,868)	(1,688,868)
Closing balance	–	70,932,455	70,932,455
As at 31 March 2015			
Cost	858,841	84,443,399	85,302,240
Accumulated depreciation	(858,841)	(11,822,076)	(12,680,917)
Net book value	–	72,621,323	72,621,323
As at 31 March 2016			
Cost	858,841	84,443,399	85,302,240
Accumulated depreciation	(858,841)	(13,510,944)	(14,369,785)
Net book value	–	70,932,455	70,932,455

6. TRADE AND OTHER RECEIVABLES

Included under Trade Receivables is an amount of RM NIL (INR NIL), (2015: RM 198,309 (INR 3,389,101) due by the holding company.

7. AMOUNT DUE TO DIRECTORS

The amount due to Directors is interest free, unsecured and without any fixed terms of repayment.

8. AMOUNT DUE TO HOLDING COMPANY

The holding company is Mahindra Holidays & Resorts India Ltd, a company incorporated in India, which holds the entire issued and paid up capital of the company.

The amount due to holding company, consisting of non-trade balances, is unsecured and without any fixed terms of repayment.

9. SHARE CAPITAL

	2016			2015		
	No of Shares	In MYR	In INR	No of Shares	In MYR	In INR
Authorised ordinary shares of RM1 each						
Balance b/f	500,000	500,000	8,545,000	500,000	500,000	8,545,000
Created during the year	–	–	–	–	–	–
Balance c/f	500,000	500,000	8,545,000	500,000	500,000	8,545,000
Issued and fully paid ordinary shares of MYR 1 each						
Balance b/f issued during the year	300,002	300,002	5,127,034	300,002	300,002	5,127,034
Balance c/f	300,002	300,002	5,127,034	300,002	300,002	5,127,034

10. REVENUE

Revenue represents income from time-sharing sales and rental income receivable.

11. PROFIT FROM OPERATIONS

The following items have been charged in arriving at profit from operations:

	2016 In MYR	2016 In INR	2015 In MYR	2015 In INR
Audit fee	16,000	273,440	13,500	230,715
Assessment and quit rent	6,122	104,625	4,875	83,314
Depreciation of property, plant and equipment	98,822	1,688,868	98,822	1,688,868
Directors fee	14,000	239,260	42,000	717,780

12. FINANCE CHARGE

	2016 In MYR	2016 In INR	2015 In MYR	2015 In INR
Interest on loan paid to holding company	408,975	6,989,383	408,975	6,989,383

13. TAXATION

	2016 In MYR	2016 In INR	2015 In MYR	2015 In INR
Current year's provision	5,100	87,159	900	15,381
Under provision for previous year	–	–	2,000	34,180
	5,100	87,159	2,900	49,561

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

Loss before taxation	(74,722)	(1,276,999)	(99,650)	(1,703,019)
Tax at statutory income tax rate of 20%	(14,944)	(255,400)	(19,930)	(340,604)
Tax effect of expenses that are not deductible for tax purposes	1,285	21,961	2,071	35,393
Deferred tax not recognised in the financial statements	18,759	320,591	18,759	320,591
Underprovision from previous year	–	–	2,000	–
	5,100	87,152	2,900	15,381

14. GOING CONCERN

The Company has net current liabilities and deficiency in shareholders' funds amounting to MYR 4,609,153 (INR 78,770,425) (2015: MYR 4,628,153 (INR 79,095,135) and MYR 4,58,629 (INR 78,37,970) (2015:MYR 378,807 (INR 6,473,812) respectively.

However, the financial statements have been prepared on a going concern basis, as the directors are of the opinion that the efficiency in shareholders' fund may be overcome by appreciation in the market value of the Company's freehold land and building. The management will be actively pursuing any investment and business opportunities in the foreseeable future that will reduce and gradually eliminate the said deficiencies.

The financial statements of the Company do not include any adjustments relating to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as going concern.

15. RELATED PARTY TRANSACTIONS

	2016 In MYR	2016 In INR	2015 In MYR	2015 In INR
Revenue	(905,281)	(15,471,252)	(897,620)	(15,340,326)
Interest on Loan	408,975	6,989,383	408,975	6,989,383

The directors are of the opinion that the above transactions have been entered into in normal course of business and have been established on a negotiated basis.

16 EMPLOYEES

The number of employees of the Company as at 31st March, 2016 is NIL.
 (2015: NIL)

17 COMPARATIVES

Certain Comparative figures have been reclassified to conform the current year's presentation.

18 DATE OF AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The Financial Statements were authorised for issue by the board of directors on 11th May, 2016.

18 EXCHANGE RATES

Foreign Currency (FC) amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 17.09 = MYR 1, which is the Bloomberg rate as on 31st March, 2016.

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2016

The Directors present the Audited Financial Statements of MHR Holdings (Mauritius) Ltd, the “Company”, for the year ended March 31, 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the Board are Mr. Zakir Hussein Niamut, Mr Teemulsing Luchowa and Mr. Dinesh Shivanna Shetty. There was no change during the year under review.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare Financial Statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time

the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Grant Thornton, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of MHR Holdings (Mauritius) Ltd under the Mauritius Companies Act 2001 for the year ended March 31, 2016.

For International Financial Services Limited
Secretary

Registered Office:
IFS Court
Bank Street
TwentyEight
Cyber City
Ebene 72201
Republic of Mauritius

Date: May 12, 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MHR HOLDINGS (MAURITIUS) LTD

Report on the Financial Statements

We have audited the accompanying financial statements of MHR Holdings (Mauritius) Ltd, the "Company", which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

Opinion

In our opinion, the financial statements on pages 7 to 30 give a true and fair view of the financial position of the Company as at 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and the requirements of the Mauritius Companies Act 2001.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 12 May 2016

Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR/PERIOD ENDED 31 MARCH 2016

	Notes	Year ended		For the	For the
		31 March 2016	31 March 2016	period from 26 June 14 to 31 March 2015	period from 26 June 14 to 31 March 2015
		EUR	INR	EUR	INR
INCOME					
Total Income		-	-	-	-
EXPENDITURE					
Professional fees	14	24,105	1,807,152	21,990	1,648,590
Audit fees		4,751	356,182	4,000	299,880
Bank charges.....		1,825	136,820	1,424	106,757
Licence fees.....		1,439	107,882	372	27,889
Total Expenses		32,120	2,408,036	27,786	2,083,116
OPERATING LOSS		(32,120)	(2,408,036)	(27,786)	(2,083,116)
Finance Income	10	434,935	32,607,077	97,093	7,279,062
Finance Costs.....	10	(1,469,241)	(110,148,998)	(229,181)	(17,181,700)
Loss before tax		(1,066,426)	(79,949,957)	(159,874)	(11,985,754)
Tax Expense.....	8	-	-	-	-
Loss for the year/period		(1,066,426)	(79,949,957)	(159,874)	(11,985,754)
OTHER COMPREHENSIVE INCOME:					
Items that will not be re-classified subsequently to profit or loss		-	-	-	-
Items that will be re-classified subsequently to profit or loss.....		-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(1,066,426)	(79,949,957)	(159,874)	(11,985,754)

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 16 EUR	As at 31 March 16 INR	As at 31 March 15 EUR	As at 31 March 15 INR
ASSETS					
Non-Current					
Investment in subsidiary.....	9	23,182,500	1,737,992,025	7,182,500	538,472,025
Loans.....	11	16,987,170	1,273,528,135	3,711,920	278,282,642
Non-Current Assets		40,169,670	3,011,520,160	10,894,420	816,754,667
Current					
Loans.....	11	3,774,685	282,988,134	-	-
Prepayments.....		2,989	224,085	1,287	96,486
Cash and cash equivalents.....		105,746	7,927,778	58,147	4,359,281
Current Assets		3,883,420	291,139,997	59,434	4,455,767
TOTAL ASSETS		44,053,090	3,302,660,157	10,953,854	821,210,434
EQUITY AND LIABILITIES					
Equity					
Stated capital.....	16	145,000	10,870,650	145,000	10,870,650
Accumulated losses/loss for the period		(1,226,300)	(91,935,711)	(159,874)	(11,985,754)
Total Equity		(1,081,300)	(81,065,061)	(14,874)	(1,115,104)
Liabilities					
Non-current					
Borrowings.....	12	44,060,810	3,303,238,926	10,850,000	813,424,500
Derivative financial instrument	13	492,508	36,923,325	-	-
Non current Liabilities		44,553,318	3,340,162,250	10,850,000	813,424,500
Current					
Borrowings.....	12	350,504	26,277,285	74,562	5,589,913
Accruals		230,568	17,285,683	44,166	3,311,125
Current Liabilities		581,072	43,562,968	118,728	8,901,038
Total Liabilities		45,134,390	3,383,725,218	10,968,728	822,325,538
TOTAL EQUITY AND LIABILITIES		44,053,090	3,302,660,157	10,953,854	821,210,434

Approved by the Board of Directors on 12 May 2016 and signed on its behalf by:

Director

Director

The notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD/YEAR ENDED 31 MARCH**

	<u>Stated capital</u>	<u>Accumulated losses</u>	<u>Total</u>
	EUR	EUR	EUR
Issue of shares	145,000	–	145,000
Transactions with the shareholder	145,000	–	145,000
Loss for the period	–	(159,874)	(159,874)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	–	(159,874)	(159,874)
At 31 March 2015	145,000	(159,874)	(14,874)
At 1 April 2015	145,000	(159,874)	(14,874)
Loss for the year	–	(1,066,426)	(1,066,426)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(1,066,426)	(1,066,426)
At 31 March 2016	145,000	(1,226,300)	(1,081,300)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD/YEAR ENDED 31 MARCH (CONTD...)**

	<u>Stated capital</u>	<u>Accumulated losses</u>	<u>Total</u>
	INR	INR	INR
Issue of shares	10,870,650	–	10,870,650
Transactions with the shareholder	10,870,650	–	10,870,650
Loss for the period		(11,985,754)	(11,985,754)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	–	(11,985,754)	(11,985,754)
At 31 March 2015	<u>10,870,650</u>	<u>(11,985,754)</u>	<u>(1,115,104)</u>
At 1 April 2015	10,870,650	(11,985,754)	(1,115,104)
Loss for the year	–	(79,949,957)	(79,949,957)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	<u>(79,949,957)</u>	<u>(79,949,957)</u>
At 31 March 2016	<u>10,870,650</u>	<u>(91,935,711)</u>	<u>(81,065,061)</u>

STATEMENT OF CASH FLOWS FOR THE YEAR/PERIOD ENDED 31 MARCH

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Operating activities				
Loss before tax	(1,066,426)	(79,949,957)	(159,874)	(11,985,754)
<i>Adjustments for:</i>				
Interest income	(434,935)	(32,607,077)	(97,093)	(7,279,062)
Interest expense	649,528	48,695,114	195,350	14,645,390
Amortisation of transaction costs.....	122,298	9,168,681	-	-
Loss on interest rate swaps	19,545	1,465,289	-	-
Fair value adjustment - Derivative financial instrument	492,508	36,923,325	-	-
	<u>(217,482)</u>	<u>(16,304,626)</u>	<u>(61,617)</u>	<u>(4,619,426)</u>
<i>Changes in working capital:</i>				
Increase in prepayments.....	(1,701)	(127,524)	(1,287)	(96,486)
Increase in accruals.....	186,402	13,974,558	44,166	3,311,125
Net cash used in operations	<u>(32,781)</u>	<u>(2,457,592)</u>	<u>(18,738)</u>	<u>(1,404,788)</u>
Interest received	85,000	6,372,450	69,173	5,185,900
Interest paid	(643,131)	(48,215,531)	(120,788)	(9,055,476)
Net cash used in operating activities	<u>(590,912)</u>	<u>(44,300,673)</u>	<u>(70,353)</u>	<u>(5,274,364)</u>
Investing activities				
Investments in subsidiary.....	(16,000,000)	(1,199,520,000)	(7,182,500)	(538,472,025)
Net cash used in investing activities	<u>(16,000,000)</u>	<u>(1,199,520,000)</u>	<u>(7,182,500)</u>	<u>(538,472,025)</u>
Financing activities				
Loans received	37,338,511	2,799,268,170	10,850,000	813,424,500
Loans repaid	(4,000,000)	(299,880,000)	-	-
Proceeds from issue of shares	-	-	145,000	10,870,650
Loans to subsidiary	(16,700,000)	(1,251,999,000)	(3,800,000)	(284,886,000)
Loans repaid by subsidiary.....	-	-	116,000	8,696,520
Net cash from financing activities	<u>16,638,511</u>	<u>1,247,389,170</u>	<u>7,311,000</u>	<u>548,105,670</u>
Net change in cash and cash equivalents	<u>47,599</u>	<u>3,568,497</u>	<u>58,147</u>	<u>4,359,281</u>
Cash and cash equivalents at beginning of year/period	<u>58,147</u>	<u>4,359,281</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year/period	<u>105,746</u>	<u>7,927,778</u>	<u>58,147</u>	<u>4,359,281</u>

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

MHR Holdings (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 26 June 2014 as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 New and revised standards that are effective for the annual year beginning on 01 April 2015

In the current year, the Company has applied the following new and revised standards issued by the International Accounting Standards Board ("IASB") that are mandatory for the first time for the financial year beginning on 01 April 2015:

IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Various	Annual Improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle

The directors have assessed the impact of these revised standards and amendments and concluded that only IAS 24, *Related Party Disclosures* as defined in Annual Improvements to IFRSs 2010-2012 cycle has an impact on the disclosure of these financial statements.

2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations is provided below.

IFRS 16	Leases
IFRS 9	Financial Instruments (2014)
IFRS 15	Revenue from Contracts with Customers
FRS for SMEs	Amendments to the International Financial Reporting Standard for Small and Medium Sized Entities
IAS 1	Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements)
IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Various	Annual Improvements to IFRSs 2012-2014 Cycle
IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)

IAS 16 and IAS 41 Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and AS 38)

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

IFRS 14 Regulatory Deferral Accounts

3 SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Revenue

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, the Company's financial assets are classified into the category of loans and receivables upon initial recognition.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and loans fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of borrowings and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges are reported in the statement of comprehensive income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Consolidated financial statements

The financial statements are separate financial statements which contain information about MHR Holdings (Mauritius) Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra Holidays and Resorts India Limited.

3.7 Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Equity

Stated capital represents the value of shares that have been issued.

Accumulated losses includes current period and previous period results as disclosed in the statement of comprehensive income.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.12 Foreign currency translation*Functional and presentation currency*

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.13 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and are deducted from borrowings and amortised over the period of the facility to which it relates.

3.15 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company has not designated the derivative contracts (interest rate swaps) as a hedging instrument.

3.16 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4 SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following is the significant management judgement in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about

future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts have not suffered any impairment in value at the reporting date.

Impairment of loans to subsidiary

The Company reviews its significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of comprehensive income. In particular, management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Fair value of derivative financial instruments

The fair value of the derivative financial instruments is determined based on valuation performed by an independent valuer. The assumptions used to value the derivative financial instruments are given in Note 13. In applying the valuation techniques the independent valuer makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument.

5 FINANCIAL INSTRUMENT RISK**Risk management objectives and policies**

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Financial assets				
<i>Loans and receivables:</i>				
Non-current				
Loans	16,987,170	1,273,528,135	3,711,920	278,282,642
Current				
Loans	3,774,685	282,988,134	–	–
Cash and cash equivalents	105,746	7,927,778	58,147	4,359,281
	3,880,431	290,915,912	58,147	4,359,281
Total financial assets	20,867,601	1,564,444,047	3,770,067	282,641,923
Financial liabilities				
<i>Financial liabilities measured at amortised cost:</i>				
Non-current				
Derivative financial instrument	492,508	36,923,325	–	–
Borrowings	44,060,810	3,303,238,926	10,850,000	813,424,500
Current	44,553,318	3,340,162,250	10,850,000	813,424,500
Borrowings	350,504	26,277,285	74,562	5,589,913
Accruals	230,568	17,285,683	44,166	3,311,125
	581,072	43,562,968	118,728	8,901,038
Total financial liabilities	45,134,390	3,346,801,894	10,968,728	822,325,538

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described below.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency sensitivity

The Company is not exposed to any currency risk as most of its financial assets and financial liabilities are denominated in the Euro which is the functional currency of the Company.

The currency profile of its financial assets and liabilities is as follows:

	Financial assets 2016		Financial liabilities 2016		Financial assets 2015		Financial liabilities 2015	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Long term exposure								
Euro (EUR)	16,987,170	1,273,528,135	44,553,318	3,340,162,250	3,711,920	278,282,642	10,850,000	813,424,500
Short term exposure								
Euro (EUR)	3,880,431	290,915,912	350,504	26,277,285	58,147	4,359,281	74,562	5,589,913
United States Dollar (USD)	-	-	230,568	17,285,683	-	-	44,166	3,311,125
	20,867,601	1,564,444,047	45,134,390	3,383,725,218	3,770,067	282,641,923	10,968,728	822,325,538

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company's interest bearing financial assets are in the form of loans to the subsidiary at a fixed rate of interest and therefore are not subject to market fluctuations.

The Company has interest bearing financial liabilities in the form of bank loans from HSBC Bank (Mauritius) Limited and AXIS BANK LIMITED.

The Company's interest rate risk arises principally from part of the bank borrowings from AXIS BANK LIMITED which are at variable interest rates. The Company manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Company has taken the following loans from HSBC Bank (Mauritius) Limited and AXIS BANK LIMITED:

Loans from HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000 (INR 513,544,500)

The bank loan of EUR 6,850,000 (INR 513,544,500) from HSBC Bank (Mauritius) Limited bears interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis (Note 11 (ii) to these financial statements). The all-inclusive rate of interest is fixed at 3.45%. The loan is repayable at the end of 5 years with an option to repay in full on any interest reset date. The interest is payable at the end of every 6 months. Since the interest rate is fixed, the Company is therefore not exposed to interest rate risk on this loan.

Loan of EUR 4,000,000 (INR 299,880,000)

The bank loan of EUR 4,000,000 (INR 299,880,000) from HSBC Bank (Mauritius) Limited carries interest at EURIBOR 6 months plus Margin of 1.95% on floating basis (Note 11 (ii) to these financial statements) and was fully repaid the year.

Loans from AXIS BANK LIMITED

Loan of EUR 47,000,000 (INR 3,523,590,000)

The Company has contracted a loan of EUR 47,000,000 (INR 3,523,590,000) from AXIS BANK LIMITED which carries interest at EURIBOR 3 - 6 months plus Margin of 1.50% per annum (Note 11 (ii) to these financial statements). The loan is repayable at the end of 5 years. As at 31 March 2016, the Company has received an amount of EUR 37,088,511 (INR 2,780,525,670) out of the EUR 47,000,000 (INR 3,523,590,000). The remaining amount is expected to be received in the next financial year.

The Company has entered into interest swaps for an amount EUR 34,600,000 (INR 2,593,962,000) by using floating to fixed interest rate swap. Such interest rate swap has the economic effect of converting borrowings from floating rate to fixed rate and protecting the Company from potential future interest rate hikes. Therefore the Company is not affected by interest rate fluctuations of these amounts. The Company is only marginally affected by interest rate fluctuations on its remaining balance of EUR 4,000,000 (INR 299,880,000) from AXIS BANK LIMITED.

5.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2016		2015	
	EUR	INR	EUR	INR
ASSETS				
Non-current				
Loans	16,987,170	1,273,528,135	3,711,920	278,282,642

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Current assets				
Loans	3,774,685	282,988,134	–	–
Cash and cash equivalents	105,746	7,927,778	58,147	4,359,281
	<u>3,880,431</u>	<u>290,915,912</u>	<u>58,147</u>	<u>4,359,281</u>
Total	<u>20,867,601</u>	<u>1,564,444,047</u>	<u>3,770,067</u>	<u>282,641,923</u>

- (i) The Company has given loans to its subsidiary, which are unsecured, carry interest at 4% per annum and the repayment terms are disclosed in Note 11. Since the loans are contractual, the directors consider that no credit risk is associated with these loans.
- (ii) The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.
- (iii) The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.
- (iv) None of the Company's financial assets are secured by collateral or other credit enhancements. The borrowings taken are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited, the parent company.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including interest payments:

	Less than 1 year	Less than 1 year	More than 1 year	More than 1 year
	EUR	INR	EUR	INR
Borrowings	350,504	26,277,285	44,060,810	3,303,238,926
Derivative financial instrument	–	–	492,508	36,923,325
Accruals	230,568	17,285,683	–	–
Total	<u>581,072</u>	<u>43,562,968</u>	<u>44,553,318</u>	<u>3,340,162,250</u>

5.4 Concentration risk

The Company has invested in an unlisted company whose security is considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However the directors consider these investments to be strategic and the concentration risk in manageable.

6 FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within which the hierarchy of financial liabilities measured at fair value on a recurring basis at 31 March 2016:

	Level 1	Level 1	Level 2	Level 2	Level 3	Level 3	Total	Total
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Liabilities								
Interest rate swap	–	–	492,508	36,923,325	–	–	492,508	36,923,325

The fair value of financial instruments that are not traded in an active market (interest rate swap derivative) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

The Company's other financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investment in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the year/period ended 31 March 2016 and 31 March 2015, the Company was fully geared since it relies on external borrowing to finance its operations.

8 TAXATION**(i) Income tax**

The Company is liable to pay tax in the Republic of Mauritius on its chargeable income at the rate of 15%. As a holder of a Category 1 Global Business Licence, it is entitled to a credit in respect of foreign tax equivalent to the higher of actual foreign tax suffered or a deemed credit equivalent to 80% of the Mauritius income tax liability on foreign source income. The maximum effective tax rate is 3%.

Gains or profits arising from sale of units or securities are tax-exempt in the hands of the Company in the Republic of Mauritius. Dividends and redemption proceeds paid by the Company to its shareholder do not attract withholding tax.

Loss for the period/year
Tax calculated at the rate of 3%
Non-allowable expenses
Deferred tax asset not recognised
Tax expense

9 INVESTMENTS IN SUBSIDIARY**(i) Unquoted investment at cost:**

Opening balance
Acquisition of equity shares during the period/year
Funds contributed during the period/year
Closing balance

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	Country of Incorporation	Type of investments	Number of shares	Cost	Cost	Cost	Cost
				2016	2016	2015	2015
				EUR	INR	EUR	INR
Covington S.à.r.l	Luxembourg	Equity	12,500	17,500	1,311,975	17,500	1,311,975
Covington S.à.r.l	Luxembourg	Non-equity		23,165,000	1,736,680,050	7,165,000	537,160,050
Total				23,182,500	1,737,992,025	7,182,500	538,472,025

(iii) Pursuant to a Share Sale and Purchase Agreement dated 17 July 2014 between the Company (the "Purchaser") and D.LAW (the "Seller"), the Company purchased 12,500 shares without nominal value corresponding to 100% of the share capital of Covington S.à.r.l, a private limited company incorporated in Luxembourg, from the Seller for a total consideration of EUR 17,500 (INR 1,311,975).

(iv) Pursuant to Contribution Agreements dated 31 July 2014, 10 November 2014 and 18 August 2015 between the Company and Covington S.à.r.l (the "Receiver"), the Company contributed EUR 3,165,000 (INR 237,280,050), EUR 4,000,000 (INR 299,880,000) and EUR 16,000,000 (INR 1,199,520,000) respectively to the Receiver.

(v) The directors have assessed the recoverable amount of the investments (equity and non-equity) and confirmed that the carrying amount of these investments have not suffered any impairment in value at the reporting date.

The foregoing is based on current interpretation and practice and is subject to any future changes in tax laws and in the double tax treaty between the Republic of India and the Republic of Mauritius.

The Company has received tax residence certificates from the Mauritian authorities that it is a tax resident of the Republic of Mauritius, which is renewable on an annual basis subject to meeting certain conditions and which is eligible to obtain benefits under the double tax treaty between the Republic of Mauritius and the Republic of India.

At 31 March 2016, the Company has accumulated tax losses of EUR 368,718 (INR 27,642,788) (2015: EUR 123,295 (INR 9,243,426)) which will be carried forward and available for set off against future taxable profit as follows:

	EUR	INR
Up to the year ending 31 March 2020	123,295	9,243,426
Up to the year ending 31 March 2021	245,423	18,399,362
Total	368,718	27,642,788

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2016, no deferred tax has been recognised in respect of the tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2016	2016	2015	2015
	EUR	INR	EUR	INR
	(1,066,426)	(79,949,957)	(159,874)	(11,985,754)
	(31,993)	(2,398,515)	(4,796)	(359,556)
	24,630	1,846,511	1,097	82,242
	7,363	552,004	3,699	277,314
	-	-	-	-

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Opening balance	7,182,500	538,472,025	-	-
Acquisition of equity shares during the period/year	-	-	17,500	1,311,975
Funds contributed during the period/year	16,000,000	1,199,520,000	7,165,000	537,160,050
Closing balance	23,182,500	1,737,992,025	7,182,500	538,472,025

- (vi) The Company has 100% shareholding in Covington S.à.r.l and is therefore considered as the Company's subsidiary since it has control over the subsidiary through its 100% voting rights. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly-owned subsidiary of a company incorporated in the Republic of India.
- (vii) The non-equity investment in Covington S.à.r.l represents funds invested as "capital contribution" and settlement is not likely within one year. Repayment would be agreed between the Company and its investee company.

10 FINANCE INCOME AND FINANCE COSTS

	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
	<u>EUR</u>	<u>INR</u>	<u>EUR</u>	<u>INR</u>
10.1 Finance income				
Interest on loans (Note 11(i))	434,935	32,607,077	97,093	7,279,062
	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
	<u>EUR</u>	<u>INR</u>	<u>EUR</u>	<u>INR</u>
10.2 Finance costs				
Interest on borrowings (Note 12(i))	649,528	48,695,114	195,350	14,645,390
Commissions on Corporate Guarantee (Note 12(ii))	185,362	13,896,589	33,831	2,536,310
Fair value adjustment – Derivative financial instrument (Note 13)	492,508	36,923,325	–	–
Amortisation of transaction costs (Note 12(i) and note 15)	122,298	9,168,681	–	–
Loss on interest rate swaps (Note 12)	19,545	1,465,289	–	–
Total	<u>1,469,241</u>	<u>110,148,998</u>	<u>229,181</u>	<u>17,181,700</u>

11 LOANS

	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
	<u>EUR</u>	<u>INR</u>	<u>EUR</u>	<u>INR</u>
<i>Loans to subsidiary:</i>				
Non-current				
Principal amounts (Note 11 (iii))	16,700,000	1,251,999,000	3,684,000	276,189,480
Interest receivable (Note 11 (iii))	287,170	21,529,135	27,920	2,093,162
Total	<u>16,987,170</u>	<u>1,273,528,135</u>	<u>3,711,920</u>	<u>278,282,642</u>
Current				
Principal amounts (Note 11 (ii))	3,684,000	276,189,480	–	–
Interest receivable (Note 11 (ii))	90,685	6,798,654	–	–
Total	<u>3,774,685</u>	<u>282,988,134</u>	<u>–</u>	<u>–</u>

- (i) The movement during the year/period on the loans is as follows:

	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
	<u>EUR</u>	<u>INR</u>	<u>EUR</u>	<u>INR</u>
Opening balance	3,711,920	278,282,642	–	–
Loans granted during the year/period	16,700,000	1,251,999,000	3,800,000	284,886,000
Loans repaid during the year/period	–	–	(116,000)	(8,696,520)
Interest income for the year/period	434,935	32,607,077	97,093	7,279,062
Interest received during the year/period	(85,000)	(6,372,450)	(69,173)	(5,185,900)
Closing balance	<u>20,761,855</u>	<u>1,278,233,627</u>	<u>3,711,920</u>	<u>278,282,642</u>

- (ii) Pursuant to Loan Agreements dated 25 August 2014, 31 July 2014, and 10 September 2014 between the Company (the "Lender") and Covington S.à.r.l (the "Borrower"), the Company advanced funds to the Borrower amounting to EUR 200,000 (INR 14,994,000), EUR 3,500,000 (INR 262,395,000) and EUR 50,000 (INR 3,748,500) respectively bearing interest of 4% per annum and receivable within one year.
- (iii) During the year under review, the Company advanced an additional loan of EUR 16,700,000 (INR 1,251,999,000) to Covington S.à.r.l bearing interest of 4% per annum and receivable in two years' time.
- (iv) The directors have assessed the recoverable amounts of the advances made to the related party and confirmed that the carrying amounts of these advances have not suffered any impairment in values at the reporting date.

12 BORROWINGS

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Non-current				
Bank loans (Note 12 (ii))	44,060,810	3,303,238,926	10,850,000	813,424,500
Current				
Bank loans (Note 12 (ii))	84,800	6,357,456	74,562	5,589,913
Loan from holding company (Note 12 (iii))	265,704	19,919,829	–	–
	350,504	26,277,285	74,562	5,589,913
Total	44,411,314	3,329,516,211	10,924,562	819,014,413

(i) The movement during the year/period on the borrowings is as follows:

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Balance at start of the year/period	10,924,562	819,014,413	–	–
<i>Loans taken during the period/year:</i>				
HSBC Bank (Mauritius) Limited	–	–	10,850,000	813,424,500
AXIS BANK LIMITED	37,700,000	2,826,369,000	–	–
Mahindra Holidays and Resorts India Limited	250,000	18,742,500	–	–
<i>Loans paid during the year/period:</i>				
HSBC Bank (Mauritius) Limited	(4,000,000)	(299,880,000)	–	–
<i>Interest element for the year/period:</i>				
Interest expense	649,528	48,695,114	195,350	14,645,390
Interest payment	(623,586)	(46,750,242)	(120,788)	(9,055,476)
Loss on interest rate swaps	19,545	1,465,289	–	–
Interest rate swap payment	(19,545)	(1,465,289)	–	–
<i>Transaction costs incurred for the year/period:</i>				
Transaction cost incurred	(611,488)	(45,843,255)	–	–
Amortisation of transaction costs	122,298	9,168,681	–	–
At 31 March	44,411,314	3,329,516,211	10,924,562	819,014,413

(ii) **Bank loans**

HSBC Bank (Mauritius) Limited**Loan of EUR 6,850,000 (INR 513,544,500)**

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on 31 July 2014 whereby the loan is repayable on 04 August 2019. The loan bears interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest is fixed at 3.45%. The loan is repayable at the end of 5 years with an option to repay in full on any interest reset date. The interest is payable at the end of every 6 months and interest accrued on the loan outstanding at the reporting date amounted to EUR 36,105. (INR 2,706,792).

Loan of EUR 4,000,000 (INR 299,880,000)

The bank loan of EUR 4,000,000 (INR 299,880,000) from HSBC Bank (Mauritius) Limited carries interest at EURIBOR 6 months plus Margin of 1.95% on floating basis and was fully repaid the year.

AXIS BANK LIMITED**Loan of EUR 47,000,000 (INR 3,523,590,000)**

The Company (the "Borrower") entered into a Facility Agreement with AXIS BANK LIMITED which carries interest at EURIBOR 3 - 6 months plus Margin of 1.50% per annum. The interest is payable at the end of every 6 months and interest accrued on the loan outstanding at the reporting date amounted to EUR 40,796 (INR 3,058,476).

The above loans are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited (the "Guarantor"). In that respect, an annual commission of 0.53% on the Corporate Guarantee (EUR 48,550,000) (INR 3,639,793,500) should be paid to the Guarantor until the loans are fully repaid. At 31 March 2016, an amount of EUR 185,362 (INR 13,896,589) was charged as commission.

(iii) During the year under review, the Company borrowed a loan of EUR 250,000 (INR 18,742,500) from Mahindra Holdings & Resorts India Limited bearing interest of 9.5% per annum and repayable on demand.

13 DERIVATIVE FINANCIAL INSTRUMENTS

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Interest rate swaps	<u>492,508</u>	<u>36,923,325</u>	-	-

The Company had entered into interest rate swap agreements to manage interest rate risk exposures.

The interest rate swap effectively modified the Company's exposure to interest rate risk by converting the Company's floating rate debt to a fixed rate basis for the entire term of the debt, thus reducing the impact of interest rate changes on future interest expense. This agreement involves the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amount.

The full fair value of the hedging derivative is classified as non-current liability since the maturity of the hedged item is more than one year.

The notional principal amount of the outstanding interest rate swap at 31 March 2016 was EUR 33,600,000 (INR 2,518,992,000).

At 31 March 2016, the fixed interest rate and fair value based on the interest rate swap are as follows:

Details	Notional amount EUR	Notional amount INR	Fixed interest rate	Start date	Maturity date	Fair Value EUR	Fair Value INR
AXIS BANK LIMITED	33,600,000	2,518,992,000	0.2526%	22 December 2015	28 August 2020	492,508	36,923,325
	<u>33,600,000</u>	<u>2,518,992,000</u>				<u>492,508</u>	<u>36,923,325</u>

14 PROFESSIONAL FEES

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Administration fees and disbursements	18,519	1,388,369	16018	1,200,869
Directors' fees	1,886	141,393	1414	106,008
Fees for tax filings	1,279	95,887	962	72,121
Secretarial fees	1,131	84,791	848	63,575
Fees for process agent	1,290	96,711	489	36,660
CDD verification fees	-	-	377	28,264
Fees for issue of legal opinion	-	-	1882	141,094
Total	<u>24,105</u>	<u>1,807,152</u>	<u>21,990</u>	<u>1,648,590</u>

All set up costs were borne by the holding company prior to the incorporation of the Company.

15 TRANSACTION COSTS

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Agency fees	500	37,485	-	-
Brokerage fees	117,500	8,808,975	-	-
Legal fees	4,298	322,221	-	-
Total	<u>122,298</u>	<u>9,168,681</u>	-	-

Transaction costs relate to charges in respect of loan taken from AXIS BANK LIMITED (Note 12 (ii) to these financial statements). The costs have been amortised over a period of 5 years, which is the tenure of the loan.

16 STATED CAPITAL

	2016	2016	2015	2015
	EUR	INR	EUR	INR
Issued and paid:				
145,000 Ordinary shares of EUR1 (INR 74.97)each	<u>145,000</u>	<u>10,870,650</u>	<u>145,000</u>	<u>10,870,650</u>

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

17 RELATED PARTY TRANSACTIONS

During the period ended 31 March 2016, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Name of companies	Nature of Relationship	Nature of transactions	Volume of transactions		Debit/(credit) balances at 31 March 2016		Debit/(credit) balances at 31 March 2015	
			EUR	INR	EUR	INR	EUR	INR
Covington S.à.r.l. (Note 10 (i))	Subsidiary	Loans	16,700,000	1,251,999,000	20,761,855	1,556,516,269	3,711,920	278,282,642
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Loans	250,000	18,742,500	(250,000)	(18,742,500)	-	-
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Interest payable	15,704	1,177,329	(15,704)	(1,177,329)	-	-
Mahindra Holidays and Resorts India Limited (Note 12(ii))	Holding company	Commission on Corporate Guarantee	185,362	13,896,589	(219,193)	(16,432,899)	33,831	2,536,310

18 CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2016.

19 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting date which requires disclosure or adjustment to the 31 March 2016 financial statements.

20 HOLDING COMPANIES

The directors consider Mahindra Holidays and Resorts India Limited, a quoted company incorporated in the Republic of India, as the Company's immediate holding company and Mahindra and Mahindra Limited, a quoted company incorporated in the Republic of India, as the Company's ultimate holding company.

21 FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016..

DIRECTORS' REPORT

The following shall constitute a report of the Board of Directors relating to the activities of the Company for the year ended March 31, 2016.

Your Company continues to remain a wholly owned subsidiary of MHR Holdings (Mauritius) Limited, Mauritius (MHR Holdings) and in turn a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited, a company incorporated in India.

Your Company has increased its stake from 23.3% to 85.6% in the share capital of Holiday Club Resorts Oy, Finland (HCR) during the year under review. Further, your Company also increased its stake from 18.7% to 100% in the share capital of HCR Management Oy, Finland (HCRM). Consequently to the above, HCR and HCRM became Subsidiary Companies of the Company effective from September 2015.

Your Company has availed loans from RCI, Europe and MHR Holdings for the purpose of increasing its stake in HCR and HCRM, during the year under review. As of March 31, 2016 the net outstanding loans amount are, Euro 10 million in respect of RCI, Europe and Euro 20.38 million in respect of MHR Holdings.

Your Company has incurred loss of Euro 768,913 (INR 57,645,408) for the financial year ended March 31, 2016.

Mr. Dinesh Shetty, Mr. Ajay Agrawal and Mr. Livio Gambardella are the Directors of your Company.

In the opinion of the Board of Directors, the accompanying financial statement together with its notes, annexures, etc., as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

For **Covington S.à.r.l**

Dinesh Shetty
Director

Ajay Agrawal
Director

Dated : May 12, 2016

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors
Covington S.A.R.L

Report on Financial Statements

We have audited the accompanying financial statements of Covington S.A.R.L. Luxembourg (hereinafter referred to as "Company") the Balance Sheet as at 31st March, 2016, and Statement of Profit & Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the preparation of these financial statements in terms of the requirements of Indian Companies Act, 2013 to the extent applicable (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance and cash flows of the Company 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 Board of Directors of the Company are responsible for maintenance of adequate accounting records in line with the provisions of the Act for safeguarding the assets of the Company 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 control, 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 financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under. 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 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 Company's Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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, in the case of Balance sheet of the state of affairs of the Company as at 31st March, 2016, and the Statements of Profit and Loss of the loss for the year ended on that date.

Other Matters

The financial statements of Covington S.A.R.L. Luxembourg are being audited by the overseas auditors according to the applicable statute. We have audited the financial statements in accordance with the requirements of the Standards on Auditing specified under Section 143(10) of the Act based on management's request for consolidation of the financial statements of the Company with that of its holding company, Mahindra Holidays & Resorts India Limited. These financial statements/financial information of Company have been provided to us by the management of the Holding Company and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid Company, is based solely on the report and information made available by the Holding Company in India.

Our opinion on the 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 information, data, financial statements/ financial information provided by the Management of the Holding Company and certified by the Board of Directors of the Company.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, is not applicable to this Company.

2. As required by Section 143(3) of the Act, I 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 purpose so far as the audit of the aforesaid financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid 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 Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
 - (d) In our opinion, the aforesaid 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) The clause regarding the disqualification from being appointed as a director in terms of Section 164(2) of the Act as on 31st March, 2016 is not applicable to this Company.
 - (f) The requirement with respect the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable to it as it is incorporated outside India.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The financial statements disclose the impact of pending litigations on the financial position of the Company.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. The clause regarding the amount required to be transferred to the Investor Education and Protection Fund is not applicable to this Company.

R. Subramanian and Company
Chartered Accountants
FRN 004137S

R. Rajaram
Partner
M. No. 25210

Place: Chennai
Date: 12.05.2016

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note Ref.	As at March 31, 2016		As at March 31, 2015	
		EURO	INR	EURO	INR
EQUITY AND LIABILITIES					
Shareholders' Funds:					
Share Capital	3	12,500	937,125	12,500	937,125
Reserves and Surplus	4	22,302,774	1,672,038,966	7,071,687	530,164,374
Non Current Liabilities					
Long Term Borrowings.....	5	26,700,000	2,001,699,000	10,184,000	763,494,480
Current Liabilities					
Short Term Borrowings	6	3,684,000	276,189,480	–	–
Trade Payables		34,487	2,585,492	48,467	3,633,571
Other Current Liabilities	7	752,759	56,434,343	133,907	10,039,008
Short-term provisions	8	9,630	721,961	9,630	721,961
TOTAL.....		53,496,150	4,010,606,367	17,460,191	1,308,990,519
ASSETS					
Non Current Assets					
Non-current Investments.....	9	53,431,393	4,005,751,534	17,399,297	1,304,425,296
Current Assets					
Cash and Cash Equivalents	10	56,379	4,226,734	57,432	4,305,677
Short Term Loans and Advances...	11	8,378	628,099	3,462	259,546
TOTAL.....		53,496,150	4,010,606,367	17,460,191	1,308,990,519

See accompanying notes forming part of the financial statements

In terms of our report attached

For on behalf of Board

For **R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Partner

Category Manager A

Category Manager A

Date: 12th May, 2016

Place: Chennai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note Ref.	For the Year ended March 31, 2016		For the period ended March 31, 2015	
		EURO	INR	EURO	INR
Revenue from Operations		-	-	-	-
Other Income		-	-	12,733	954,593
Total Revenue		-	-	12,733	954,593
Expenses					
Finance Cost	12	700,642	52,527,131	76,033	5,700,194
Other Expenses	13	68,271	5,118,277	18,564	1,391,743
Total Expenses		768,913	57,645,408	94,597	7,091,937
Loss Before Taxes		(768,913)	(57,645,408)	(81,864)	(6,137,344)
Tax Expense					
Current Tax		-	-	3,210	240,654
Deferred Tax		-	-	-	-
Loss for the year		(768,913)	(57,645,408)	(85,074)	(6,377,998)

See accompanying notes forming part of the financial statements

In terms of our report attached

For on behalf of Board

For **R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Partner

Category Manager A

Category Manager A

Date: 12th May, 2016

Place: Chennai

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information

Covington S.a.r.l. hereinafter the "Company" was incorporated on 27th November, 2013. The principal activity of the company is to hold investments.

2 Significant Accounting Policies

(i) Basis for preparation of financial statements:

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.

(ii) Use of estimates:

The preparation of financial statements 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) 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.

(iv) 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.

(v) 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.

3 Share Capital (Refer Note 14)

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	EURO	No. of Shares	EURO
Authorised:				
12,500 Equity Shares of EURO 1 each	12,500	12,500	12,500	12,500
	12,500	12,500	12,500	12,500
Issued, Subscribed & Paid up:				
Equity:				
12,500 Equity Shares of EURO 1 each	12,500	12,500	12,500	12,500
	12,500	12,500	12,500	12,500

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	INR	No. of Shares	INR
Authorised:				
12,500 Equity Shares of INR 74.97 each	12,500	937,125	12,500	937,125
	12,500	937,125	12,500	937,125
Issued, Subscribed & Paid up:				
Equity:				
12,500 Equity Shares of INR 74.97 each	12,500	937,125	12,500	937,125
	12,500	937,125	12,500	937,125

Notes:

- The Company has only one class of shares referred to as equity shares having a par value of EURO 1 (INR 74.97).
- Reconciliation of No. of Shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	EURO	No. of Shares	EURO
At the beginning of the year	12,500	12,500	12,500	12,500
Add: Issued during the year	-	-	-	-
At the end of the year	12,500	12,500	12,500	12,500

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	INR	No. of Shares	INR
At the beginning of the year	12,500	937,125	12,500	937,125
Add: Issued during the year	-	-	-	-
At the end of the year	12,500	937,125	12,500	937,125

- Shares in the company held by each shareholder holding more than 5% shares and that of holding company specifying the no. of shares held:

Name of the Shareholder	No. of Shares March 31, 2016	% held as at March 31, 2016	No. of Shares March 31, 2015	% held as at March 31, 2015
	MHR Holdings (Mauritius) Ltd.	12,500	100.00%	12,500

4 Reserves and Surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Share Premium and Similar Premiums (A)				
As per last financial statement	7,165,000	537,160,050	7,165,000	537,160,050
Additions during the year*	16,000,000	1,199,520,000	-	-
	<u>23,165,000</u>	<u>1,736,680,050</u>	<u>7,165,000</u>	<u>537,160,050</u>
Surplus/ (deficit) in the statement of Profit and Loss (B)				
As per last financial statement	(93,313)	(6,995,676)	(8,239)	(617,678)
Net profit/(loss) for the current year/(period)	(768,913)	(57,645,408)	(85,074)	(6,377,998)
	<u>(862,226)</u>	<u>(64,641,084)</u>	<u>(93,313)</u>	<u>(6,995,676)</u>
TOTAL (A+B)	<u>22,302,774</u>	<u>1,672,038,966</u>	<u>7,071,687</u>	<u>530,164,374</u>

* During the year, the "Company" has received a contribution towards equity from Holding company i.e., MHR Holdings (Mauritius) Ltd., without the issuance of new shares.

5 Long Term Borrowings

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Loan from MHR Holdings (Mauritius) Ltd.	16,700,000	1,251,999,000	3,684,000	276,189,480
Loan from RCI Europe*	10,000,000	749,700,000	6,500,000	487,305,000
TOTAL	<u>26,700,000</u>	<u>2,001,699,000</u>	<u>10,184,000</u>	<u>763,494,480</u>

* The Loan from RCI Europe is secured against an unconditional and irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited (the "Guarantor") of EURO 11,000,000 (INR 824,670,000)

6 Short Term Borrowings

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Loan from MHR Holdings (Mauritius) Ltd.	3,684,000	276,189,480	-	-
TOTAL	<u>3,684,000</u>	<u>276,189,480</u>	<u>-</u>	<u>-</u>

7 Other Current Liabilities

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Interest Accrued but not due	698,049	52,332,734	133,857	10,035,259
Net wealth tax payable	3,260	244,402	50	3,749
Corporate Guarantee Commission Payable	51,450	3,857,207	-	-
TOTAL	<u>752,759</u>	<u>56,434,343</u>	<u>133,907</u>	<u>10,039,008</u>

8 Short-term provisions

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Provision for Income Tax (Refer Note 15)	9,630	721,961	9,630	721,961
TOTAL	<u>9,630</u>	<u>721,961</u>	<u>9,630</u>	<u>721,961</u>

9 Non Current Investments (Also refer Note 16)

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Investment in Shares of Holiday Club Resorts, OY, Finland (subsidiary)	51,131,512	3,833,329,455	16,891,468	1,266,353,356
Investment in Shares of HCR Management Oy, Finland (wholly owned subsidiary)	2,299,881	172,422,079	507,829	38,071,940
TOTAL	<u>53,431,393</u>	<u>4,005,751,534</u>	<u>17,399,297</u>	<u>1,304,425,296</u>

10 Cash and Cash Equivalents

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Balances with Bank	56,379	4,226,734	57,432	4,305,677

11 Short Term Loans and Advances

Particulars	As at March 31, 2016		As at March 31, 2015	
	EURO	INR	EURO	INR
Prepaid Expenses	3,563	267,118	3,462	259,546
Advance Tax (Refer Note 15)	4,815	360,981	-	-
TOTAL	<u>8,378</u>	<u>628,099</u>	<u>3,462</u>	<u>259,546</u>

12 Finance Cost

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	EURO	INR	EURO	INR
Interest Expense on Borrowings	649,192	48,669,924	76,032	5,700,119
Other Borrowing Costs (Commission on Corporate Guarantee)	51,450	3,857,207	1	75
TOTAL	700,642	52,527,131	76,033	5,700,194

13 Other Expenses

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	EURO	INR	EURO	INR
Rates & Taxes	3,354	251,449	25	1,874
Legal & Professional Expenses	50,695	3,800,604	15,738	1,179,878
Auditor's Remuneration	8,140	610,256	1,750	131,198
Subscriptions & Donations	350	26,240	-	-
Net Loss on Foreign Exchange Fluctuation	2	150	-	-
Bank Charges	5,467	409,861	1,051	78,793
Miscellaneous Expenses	263	19,717	-	-
TOTAL	68,271	5,118,277	18,564	1,391,743

14 Parties exercising control

The entire share capital is held by MHR Holdings (Mauritius) Limited which is a wholly owned subsidiary of Mahindra Holidays & Resorts India Limited. The ultimate Holding Company is Mahindra & Mahindra Limited.

15 Taxation

Provision for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under "Short-term provisions". The advance payments are shown in the assets of the balance sheet under the caption "Advance tax" under "Short Term Loans and Advances".

16 Non current Investments

The Company holds 81.37% of the shares of Holiday Club Resorts Oy, directly and 4.24% through HCR Management Oy, a wholly owned subsidiary of the Company. The value of investments disclosed in the financial statements includes an amount of EURO 857,446 (INR 64,282,694) towards the acquisition cost of Holiday Club Resorts Oy and an amount of EURO 31,289 (INR 2,345,766) towards HCR Management Oy.

17 Related Party Transactions and balances

(As declared and certified by the management)

Name of the related party	Nature of relationship
MHR Holdings (Mauritius) Ltd.	Holding Company
Mahindra Holidays & Resorts India Ltd	Step up Holding Company

in EURO

Name of the related party	Nature of Transaction	Transaction Value	Balance as on March 31, 2016	Transaction Value	Balance as on March 31, 2015
MHR Holdings (Mauritius) Ltd.	Loans	16,700,000	20,384,000	-	3,684,000
MHR Holdings (Mauritius) Ltd.	Interest accrued	434,934	377,855	36,140	27,921
Mahindra Holidays & Resorts India Ltd.	Commission on Corporate Guarantee	51,450	51,450	-	-

in INR

Name of the related party	Nature of Transaction	Transaction Value	Balance as on March 31, 2016	Transaction Value	Balance as on March 31, 2015
MHR Holdings (Mauritius) Ltd.	Loans	1,251,999,000	1,528,188,480	-	276,189,480
MHR Holdings (Mauritius) Ltd.	Interest accrued	32,607,002	28,327,789	2,709,416	2,093,237
Mahindra Holidays & Resorts India Ltd.	Commission on Corporate Guarantee	3,857,207	3,857,207	-	-

18 Exchange Rate

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = EUR 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

19 Previous period figures

The financial statements for the previous period are for the period from 1st January, 2015 to 31st March, 2015 whereas the current year financial statements are prepared for the year 1st April, 2015 to 31st March, 2016. Hence the Statement of Profit & Loss for the current year is not comparable to the previous period.

Previous period's figures have been reclassified to conform with the current year's classification/presentation, wherever applicable. Further the previous period figures are unaudited and based on the accounts prepared by the management of the Company.

In terms of our report attached

For on behalf of Board

For **R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Partner

Category Manager A

Category Manager A

Date: 12th May, 2016

Place: Chennai

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in the sale and trade of real estates, property management, investment activities and dealing in securities. The company may own and manage real estates, own other shares and securities.

There have been no significant changes in the nature of the principal activities during the financial period under review.

The Company owns 4.24% of the shares of Holidays Club Resorts Oy (Corporate ID 2033337-1) as at March 31, 2016.

There were no personnel employed and no employee expenses were paid during the financial period.

Financial Highlights

The results for the financial period and financial position of the Company are as shown in the annexed Financial Statements.

Dividends

The Company's assets eligible for distribution are Euro 559,158.80 (INR 41,920,135.24). The Company's assets for profit distribution are Euro 225,858.80 (INR 16,932,634.24) of which loss for the financial period Euro -21,604.31 (INR -1,619,675.12) and retained earnings Euro 247,463.11 (INR 18,552,309.36).

The Board proposes to the Annual General Meeting that the assets eligible for profit distribution be appropriated as follows; no dividends are distributed and the profit for the financial period is retained in equity.

Directors

The directors shown below have held office during the financial period under review:

Mr. Arunkumar Nanda, Chairman

Mr. Krishnan Sadasivan

Mr. Vesa Tengman

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Shares of the Company

The total number of shares is 124,320 shares. These shares have no nominal value. The Company did not issue shares during the financial period under review. All the shares have the same right to dividends and Company's assets.

Holding Company

The Company is wholly owned subsidiary of Covington S.a.r.l. which in turn is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signing of the Board of Directors Report.

Helsinki 9th May, 2016

Arunkumar Nanda
Chairman of the Board

Krishnan Sadasivan
Member of the Board

Vesa Tengman
Member of the Board, CEO

AUDITOR'S REPORT

To the Annual General Meeting of HCR Management Oy

I have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of HCR Management Oy for the financial period 1.10.2015-31.3.2016. The financial statements comprise of the balance sheet, the income statement, the cash flow statement and notes to the financial statements

Responsibility of the Board of Directors and the Managing Directors

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

My responsibility is to express an opinion on the financial statements and on the report of the Board of Directors based on my audit. The Auditing Act requires that I comply with the requirements of professional ethics. I conducted my audit in accordance with good auditing practice in Finland. Good auditing practice requires that I plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors or the Managing Director are guilty of an act or negligence which may result in a liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and the report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company in accordance with laws and regulations governing the preparation of the financial statements and the report of Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Eero Suomela

Authorised Public Accountant
Nokkalankulma 7 B
02230 Espoo

Place: Helsinki,
Date: 10th May. 2016

ACCOUNTING PRINCIPLES

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average

of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2015- 31.3.2016	1.10.2015- 31.3.2016	1.10.2014- 30.9.2015	1.10.2014- 30.9.2015
Other operative expenses	(151.84)	(11,383.44)	(240.00)	(17,992.80)
PROFIT (LOSS)	(151.84)	(11,383.44)	(240.00)	(17,992.80)
Dividend income.....	–	–	58,553.60	4,389,763.39
Interest expenses.....	(21,452.47)	(1,608,291.68)	(42,276.00)	(3,169,431.72)
PROFIT (LOSS) BEFORE TAXES	(21,604.31)	(1,619,675.12)	16,037.60	1,202,338.87
PROFIT (LOSS) FOR THE FINANCIAL YEAR.....	(21,604.31)	(1,619,675.12)	16,037.60	1,202,338.87

BALANCE SHEET

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	30.9.2015	30.9.2015
ASSETS				
NON-CURRENT ASSETS				
Investments				
Other shares.....	2,094,675.20	157,037,799.74	2,094,675.20	157,037,799.74
TOTAL FOR NON-CURRENT ASSETS	2,094,675.20	157,037,799.74	2,094,675.20	157,037,799.74
CURRENT ASSETS				
Cash and cash equivalents	352.91	26,457.66	421.28	31,583.36
TOTAL FOR CURRENT ASSETS	352.91	26,457.66	421.28	31,583.36
TOTAL ASSETS	2,095,028.11	157,064,257.41	2,095,096.48	157,069,383.11
Liabilities				
SHAREHOLDERS' EQUITY				
Share Capital	2,500.00	187,425.00	2,500.00	187,425.00
Reserve for invested non-restricted equity.....	333,300.00	24,987,501.00	333,300.00	24,987,501.00
Retained earnings	247,463.11	18,552,309.36	231,425.51	17,349,970.48
Profit (loss) for the period	(21,604.31)	(1,619,675.12)	16,037.60	1,202,338.87
TOTAL FOR SHAREHOLDERS' EQUITY	561,658.80	42,107,560.24	583,263.11	43,727,235.36
LIABILITIES				
Long Term Liabilities	29,350.00	2,200,369.50	1,508,000.00	113,054,760.00
Short Term Liabilities	1,504,019.31	112,756,327.67	3,833.37	287,387.75
TOTAL FOR LIABILITIES	1,533,369.31	114,956,697.17	1,511,833.37	113,342,147.75
TOTAL LIABILITIES	2,095,028.11	157,064,257.41	2,095,096.48	157,069,383.11

CASH FLOW STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2015- 31.3.2016	1.10.2015- 31.3.2016	1.10.2014- 30.9.2015	1.10.2014- 30.9.2015
Operative Cash Flow				
Cash paid to suppliers and employees	(151.84)	(11,383.44)	(240.00)	(17,992.80)
Operative Cashflow before financing items and taxes	(151.84)	(11,383.44)	(240.00)	(17,992.80)
Paid interest and other payments related to financing activities	(21,266.53)	(1,594,351.75)	(46,950.62)	(3,519,887.98)
Dividends received	-	-	58,553.60	4,389,763.39
Operative Cash Flow	(21,418.37)	(1,605,735.20)	11,362.98	851,882.61
Financing Cash Flow				
Withdrawals of Long Term Loans	21,350.00	1,600,609.50	11,000.00	824,670.00
Re-payments of Long Term Loans	-	-	(10,000.00)	(749,700.00)
Dividends paid.....	-	-	(12,432.06)	(932,031.54)
Financing Cash Flow.....	21,350.00	1,600,609.50	(11,432.06)	(857,061.54)
Net increase/decrease in cash and cash equivalents	(68.37)	(5,125.70)	(69.08)	(5,178.93)
Cash and cash equivalents at the beginning of the period	421.28	31,583.36	490.36	36,762.29
Cash and cash equivalents at the end of the period	352.91	26,457.66	421.28	31,583.36

NOTES TO THE ACCOUNTS

NON CURRENT ASSETS

INVESTMENTS

Eur	Shares, other	Total		Eur	Rs.
				31.3.2016	31.3.2016
			Reserve for Invested non-restricted equity 31.3.2016	333,300.00	24,987,501.00
Acquisition Cost 30.9.2015	2,094,675.20	2,094,675.20	Retained earnings 30.9.2015	247,463.11	18,552,309.36
Additions	-	-	Dividends	-	-
Transfers between items	-	-	Retained earnings 31.3.2016	247,463.11	18,552,309.36
Acquisition Cost 31.3.2016	2,094,675.20	2,094,675.20	Loss for the period	(21,604.31)	(1,619,675.12)
Book value 30.9.2015	2,094,675.20	2,094,675.20			

INVESTMENTS

Rs.	Shares, other	Total
Acquisition Cost 30.9.2015	157,037,799.74	157,037,799.74
Additions	-	-
Transfers between items	-	-
Acquisition Cost 31.3.2016	157,037,799.74	157,037,799.74
Book value 30.9.2015	157,037,799.74	157,037,799.74

HCR Management Oy owns 4.24 % of the shares of Holiday Club Resorts Oy.

SHAREHOLDERS' EQUITY

	Eur	Rs.
	31.3.2016	31.3.2016
Share Capital 30.9.2015	2,500.00	187,425.00
Share Issue	-	-
Share Capital 31.3.2016	2,500.00	187,425.00
Reserve for invested non-restricted equity 30.9.2015	333,300.00	24,987,501.00
Share Issue	-	-

SHORT TERM LIABILITIES

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	30.9.2016	30.9.2016
Bank Loans	1,500,000.00	112,455,000.00	-	-
Accrued interest	4,019.31	301,327.67	3,833.37	287,387.75
Total	1,504,019.31	112,756,327.67	3,833.37	287,387.75

OTHER NOTES

COLLATERALS GIVEN

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	30.9.2016	30.9.2016
Other Loans	1,500,000.00	112,455,000.00	1,500,000.00	112,455,000.00
Total	1,500,000.00	112,455,000.00	1,500,000.00	112,455,000.00
Pledged assets	2,094,675.20	157,037,799.74	2,094,675.20	157,037,799.74
Total	2,094,675.20	157,037,799.74	2,094,675.20	157,037,799.74

NOTES TO THE ACCOUNTS

Signing of the annual report and the board of directors report.

Helsinki 9th May, 2016

Arunkumar Nanda
Chairman of the Board

Krishnan Sadasivan
Member of the Board

Vesa Tengman
Member of the Board, CEO

APPROVAL OF THE ANNUAL REPORT

The audit report has been given today.

Eero Suomela
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Group for the Financial Period commencing from October 1, 2014 and ended on March 31, 2016. Financial year of the Group companies was extended to 18 months due to the change of control.

Operations/State of the Company's Affairs

The Group is the largest operator of leisure hotels in Finland and the largest vacation ownership company in Europe.

The Group has 31 resorts in Finland (23), Sweden (2) and in Spain (6). These resorts were fully operational.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Significant Changes in the Group Structure and its Business

In October 2014 the parent company Holiday Club Resorts Oy acquired the shares of Koy Spa Lofts 2, Koy Spa Lofts 3 and Koy Lappeenrannan Saimaan Kreivi.

In November 2014 the business of Holiday Club Ylläs Saaga was sold to a new owner.

In November 2014 the parent company Holiday Club Resorts sold the shares of Koy Rauhan Uusi Paviljonki.

In January 2015 the parent company Holiday Club Resorts acquired 51% of the shares of Heimon Tukku Saimaa Oy increasing its ownership to 100%. Heimon Tukku Saimaa Oy changed its name to Supermarket Capri Oy.

In March 2015 the parent company Holiday Club Resorts Oy sold the shares of Koy Lappeenrannan Saimaan Kreivi.

In July 2015 the parent company Holiday Club Resorts Oy sold the shares of Koy Mällönsniemi.

In August 2015 Holiday Club Resorts Oy established a company Koy Sallan Kylpylä together with Salla municipality. The company was registered in September 2015. Holiday Club Resorts Oy owns 49% of the shares of the company.

In August 2015 Holiday Club Resorts Oy acquired the business of Turku Caribia hotel from Sokotel Oy. The business was transferred to Holiday Club Resorts Oy on October 1, 2015.

In October 2015 Koy Haka Perusyhtiö 79, Himos Hillside Golf Oy, Holiday Club Katinkullan Villas Oy, Koy Katinpalsta, Koy Paviljongin Pysäköinti, Koy Pisterinniementie 2, Koy Rauhan Parkki, Koy Rauhan Ranta 6, Saariselkä Resort Oy and Saimaan Palvelukiinteistöt Oy were merged to Holiday Club Resorts Oy.

In December 2015 subsidiary Holiday Club Sweden AB subscribed the shares of Holiday Club Sport and Spa Hotels AB. Holiday Club Sweden AB owns 51% shares of the company. Before the subscription of the shares Holiday Club Sport and Spa Hotels AB acquired the business of Holiday Club Åre.

In January 2016 the parent company Holiday Club Resorts Oy purchased 76% of the shares of Saimaa Gardens Arena Oy increasing its ownership to 100%.

In March 2016 the parent company Holiday Club Resorts Oy sold the shares of Koy Ulkuvuoma, Koy Jalomella, Koy Outapalas and Koy Lovinoida.

In March 2016 Holiday Club Golf Saimaa Oy, Koy Katinkullan Villas Parkki, Koy Kulennoinen, Kongressi- and Kylpylähotelli Caribia Oy, Saimaa Action Park Oy and Sallan Tunturipalvelut Oy were merged to Holiday Club Resorts Oy.

Financial Highlights

The results for the financial period and financial position of the Group are as shown in the annexed Financial Statements.

During the period under review (1.10.2014-31.3.2016) the Group has earned a revenue of Euro 183.4 million (INR 13,749,498,000) and made a loss of Euro -7.2 million (INR -539,784,000). The parent company revenue for the same period was Euro 151.4 million (INR 11,350,458,000) and loss Euro -3.7 million (INR -277,389,000).

As part of its yearly processes the management conducted an assessment of assets, liabilities and financial items appearing on the balance sheet. This assessment was advanced to take effect on August 31, 2015 prior to the transfer of shares and consequent change of control of the Company to a single majority shareholder in September 2015. Based on this work a write off consisting Euro 3.6 million (INR 269,892,000) from the inventory and receivables and Euro 5.3 million (INR 397,341,000) from fixed assets and financial items was done.

Dividends

The parent company's assets eligible for distribution are Euro 42,915,179.38 (INR 3,217,350,998.12). The parent's company's assets for profit distribution are Euro 3,520,004.74 (INR 263,894,755.36) of which loss for the financial period Euro -3,707,700.12 (INR -277,966,278.00) and retained earnings Euro 7,227,704.86 (INR 541,861,033.35).

The Board proposes to the Annual General Meeting that the assets eligible for profit distribution be appropriated as follows:

0.30 Euro/share, distributed as dividends	950,532.60	Euro
Retained in equity	2,569,472.14	Euro
	3,520,004.74	Euro

22.49 INR/share, distributed as dividends	71,261,429.02	INR
Retained in equity	192,633,326.34	INR
	263,894,755.36	INR

The financial standing of the company has not changed significantly after the end of the financial year. The company's liquidity is good and, according to Board, the proposed distribution of profit does not jeopardize the company's solvency.

Directors

The directors shown below have held office during the financial period under review:

The Extraordinary General Meeting on September 10, 2015 decided to elect the following members of the board:

- 1) Arunkumar Nanda, Chairman
- 2) Teuvo Salminen
- 3) Antti Heikinheimo
- 4) S. Krishnan
- 5) Sridar Iyengar
- 6) Vesa Tengman

Before the decision of Extraordinary General Meeting on September 10, 2015 the members of the board were Arunkumar Nanda, Teuvo Salminen (Chairman), Timo Rantala, Rauno Puolimatka, Mika Kiljunen and Antti Heikinheimo.

The managing director of the company is Vesa Tengman.

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

Holiday Club Resorts Oy and Kiinteistö Oy Katinnurkka, a subsidiary 100% owned by Holiday Club Resorts Oy, made a land exchange deal with Sotkamo municipality. Holiday Club Resorts Oy gave approximately 5.41 hectare parcel of land and Kiinteistö Oy Katinnurkka approximately 0.11 hectares parcel. Holiday Club Resorts Oy received approximately 6.31 hectares of land and Kiinteistö Oy Katinnurkka 0.38 hectares parcel.

Issue of Shares

Extraordinary General Meeting of Holiday Club Resorts Oy on October 23, 2014 decided to increase share capital through a directed issue. The subscription price of the shares was Euro 22.50 (INR 1,686.83) per share, of which Euro 3.00 (INR 224.91) was transferred to the company's share capital and Euro 19.50 (INR 1,461.92) to reserve for invested non-restricted equity. The participant in the directed issue was Covington S.a.r.l (177,777 shares).

In October 10, 2015 Extraordinary General Meeting of Holiday Club Resorts Oy decided to increase share capital through a directed issue. The subscription price of the shares was Euro 13.50 (INR 1,012.10) per share, of which Euro 3.00 (INR 224.91) was transferred to the company's share capital

and Euro 10.50 (INR 787.19) to reserve for invested non-restricted equity. The participants in the special issue were Covington S.a.r.l (740,740 shares) and the Company's management (35,400 shares).

Holding Company

During the period under review The Company has become a subsidiary of Covington S.a.r.l (ownership 85.6% of shares, 4.2% of ownership coming through HCR Management Oy). Other shareholders of the company are Fennia Group and the Management.

Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There is no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Eero Suomela, APA is the primary and responsible auditor of the company. Company's deputy auditors have been APA PricewaterhouseCoopers Oy.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities and Customers during the period under review.

Signatures on the Board Report.

Helsinki, May 9, 2016

Arunkumar Nanda
Chairman of the Board

Teuvo Salminen
Member of the Board

Antti Heikinheimo
Member of the Board

S. Krishnan
Member of the Board

Sridar Iyengar
Member of the Board

Vesa Tengman
CEO

AUDITOR'S REPORT

To the Annual General Meeting of Holiday Club Resorts Oy

I have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Holiday Club Resorts Oy for the financial period 1.10.2014-31.3.2016. The financial statements comprise consolidated balance sheet, the income statement, the cash flow statement and notes to the financial statements, as well the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Directors

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

My responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on my audit. The Auditing Act requires that I comply with the requirements of professional ethics. I conducted my audit in accordance with good auditing practice in Finland. Good auditing practice requires that I plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in a liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and the report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and parent company's financial performance and financial position of the company in accordance with laws and regulations governing the preparation of the financial statements and the report of Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Eero Suomela
Authorised Public Accountant
Nokkalankulma 7 B
02230 Espoo

Place: Helsinki
Date: May 10, 2016

PROFIT AND LOSS STATEMENT FOR THE GROUP

	Note	1.10.2014-31.3.2016		1.10.2013-30.9.2014	
		Eur	Rs.	Eur	Rs.
TURNOVER	1	183,383,004.47	13,748,223,845.12	123,862,258.33	9,285,953,507.00
Other operating income	2	12,875,845.04	965,302,102.65	6,131,539.65	459,681,527.56
Share of Associated Company Profit (Loss)	2	(109,015.38)	(8,172,883.04)	(418,506.08)	(31,375,400.82)
Materials and services	3	(62,534,162.13)	(4,688,186,134.89)	(39,691,353.15)	(2,975,660,745.66)
Personnel expenses	4	(53,137,916.27)	(3,983,749,582.76)	(34,551,613.13)	(2,590,334,436.36)
Depreciations and impairments	5	(11,546,697.32)	(865,655,898.08)	(4,918,106.04)	(368,710,409.82)
Other operating expenses	6	(71,928,093.41)	(5,392,449,162.95)	(45,651,465.39)	(3,422,490,360.29)
PROFIT (LOSS)		(2,997,035.00)	(224,687,713.95)	4,762,754.19	357,063,681.62
Financial income and expenses	7	(4,300,175.40)	(322,384,149.74)	(2,027,624.26)	(152,010,990.77)
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS		(7,297,210.40)	(547,071,863.69)	2,735,129.93	205,052,690.85
Extraordinary items	8	(310,177.19)	(23,253,983.93)	-	-
PROFIT (LOSS) BEFORE TAXES ..		(7,607,387.59)	(570,325,847.62)	2,735,129.93	205,052,690.85
Income taxes	10	605,705.62	45,409,750.63	(632,992.95)	(47,455,481.46)
Minority Share		(209,004.56)	(15,669,071.49)	-	-
PROFIT (LOSS) FOR THE FINANCIAL YEAR		(7,210,686.52)	(540,585,168.48)	2,102,136.98	157,597,209.39

BALANCE SHEET FOR THE GROUP

	Note	Eur 31.03.2016	Rs. 31.03.2016	Eur 30.09.2014	Rs. 30.09.2014
ASSETS					
NON CURRENT ASSETS					
Intangible assets	11	9,252,651.63	693,671,292.70	10,380,718.35	778,242,454.70
Group goodwill	11	57,989.87	4,347,500.55	378,057.92	28,343,002.26
Tangible assets	12	38,889,202.88	2,915,523,539.91	42,325,271.19	3,173,125,581.11
Investments	13	4,005,279.80	300,275,826.61	5,186,468.21	388,829,521.70
TOTAL NON CURRENT ASSETS		52,205,124.18	3,913,818,159.77	58,270,515.67	4,368,540,559.78
CURRENT ASSETS					
Inventories	15	51,187,488.18	3,837,525,988.85	51,012,640.87	3,824,417,686.02
Long-term receivables	16	1,564,717.96	117,306,905.46	2,259,593.25	169,401,705.95
Deferred tax receivables	16	1,335,277.86	100,105,781.16	866,761.86	64,981,136.64
Short-term receivables	17	18,364,613.38	1,376,795,065.10	19,270,407.05	1,444,702,416.54
Financial instruments		3,558.00	266,743.26	3,558.00	266,743.26
Cash and cash equivalents ...		10,532,400.57	789,614,070.73	4,827,464.10	361,914,983.58
TOTAL CURRENT ASSETS		82,988,055.95	6,221,614,554.57	78,240,425.13	5,865,684,672.00
TOTAL ASSETS		135,193,180.13	10,135,432,714.35	136,510,940.80	10,234,225,231.78
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	11,959,146.00	896,577,175.62	9,097,395.00	682,031,703.15
Reserve for invested non-restricted equity	18	39,395,174.64	2,953,456,242.76	27,779,053.14	2,082,595,613.91
Profit (loss) from previous years	18	18,847,508.98	1,412,997,748.23	17,914,516.98	1,343,051,337.99
Profit (loss) for the financial year	18	(7,210,686.52)	(540,585,168.40)	2,102,136.98	157,597,209.39
TOTAL EQUITY		62,991,143.10	4,722,445,998.21	56,893,102.10	4,265,275,864.44
GROUP RESERVE	19	-	-	778,217.88	58,342,994.46
MINORITY SHARE		1,148,839.46	86,128,494		
LIABILITIES					
Deferred tax liabilities	20	440,390.09	33,016,045.05	617,534.51	46,296,562.21
Long-term liabilities	21	26,639,756.63	1,997,182,554.55	25,724,604.82	1,928,573,623.36
Short-term liabilities	22	43,973,050.85	3,296,659,622.22	52,497,481.49	3,935,736,187.31
TOTAL LIABILITIES		71,053,197.57	5,326,858,221.82	78,839,620.82	5,910,606,372.88
TOTAL EQUITY AND LIABILITIES		135,193,180.13	10,135,432,714.35	136,510,940.80	10,234,225,231.78

CONSOLIDATED CASH FLOW STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Cash flow from operating activities				
Profit/loss before extraordinary items	(7,290,239.19)	(546,549,232.07)	2,735,129.93	205,052,690.52
Adjustments:				
Depreciations.....	11,539,726.11	865,133,266.66	4,845,319.57	363,253,608.16
Other non-cash items.....	(411,832.21)	(30,875,060.87)	(1,709,196.28)	(128,138,445.20)
Financial income and expenses.....	3,577,898.67	268,235,063.03	1,839,609.44	137,915,519.79
Cash generated from operations before net working capital.....	7,415,553.38	555,944,036.74	7,710,862.66	578,083,373.27
Change in non-interest-bearing receivables.....	735,528.25	55,142,552.69	1,394,583.66	104,551,937.30
Change in inventories	(2,288,854.25)	(171,595,402.88)	(3,040,964.08)	(227,981,076.82)
Change in non-interest-bearing liabilities	3,595,388.75	269,546,294.50	1,086,828.06	81,479,499.36
Cash generated from operations before financial items and taxes	9,457,616.13	709,037,481.05	7,151,310.30	536,133,733.11
Income taxes paid.....	(1,012,027.64)	(75,871,712.36)	(640,777.68)	(48,039,102.33)
Net cash flow from operating activities	5,686,743.73	426,335,177.65	4,387,697.37	328,945,672.09
Cash flow from investments activities				
Investments in tangible and intangible assets.....	(5,950,815.94)	(446,132,671.23)	(5,089,721.48)	(381,576,419.36)
Proceeds from sale of tangible and intangible assets.....	2,721,390.06	204,022,612.80	4,752,458.34	356,291,801.75
Investments in other investments	(693,613.26)	(52,000,185.80)	-	-
Proceeds from repayments of loans	238,034.82	17,845,470.65	130,566.66	9,788,582.50
Proceeds from other investments.....	270,872.98	20,307,347.31	500,333.56	37,510,006.99
Interest received from investments.....	412,436.50	30,920,364.61	-	-
Dividends received from investments.....	514.80	38,594.56	-	-
Acquisition of subsidiaries, net of cash acquired.....	-	-	(326,400.00)	(24,470,208.00)
Net cash flow from investing activities.....	(3,001,180.03)	(224,998,467.11)	(32,762.92)	(2,456,236.11)
Cash flow from financing activities				
Proceeds from issuance of share capital ..	14,477,872.50	1,085,406,101.33	3,000,000.00	224,910,000.00
Proceeds from short-term borrowings	(26,180.00)	(1,962,714.60)	(86,744.70)	(6,503,250.16)
Proceeds from long-term borrowing	12,056,000.00	903,838,320.00	9,000,000.00	674,730,000.00
Repayments in long-term borrowings.....	(22,438,028.98)	(1,682,179,032.53)	(10,998,294.98)	(824,542,174.65)
Dividends paid.....	(1,046,732.75)	(78,473,554.27)	(2,272,532.00)	(170,371,724.04)
Net cash used in financing activities.....	3,022,930.77	226,629,119.93	(1,357,571.68)	(101,777,148.85)
Net increase/decrease in cash and cash equivalents.....	5,708,494.47	427,965,830.46	2,997,362.77	224,712,287.13
Cash and cash equivalents at the beginning of period.....	4,827,464.10	361,914,983.58	1,830,101.33	137,202,696.71
Cash and cash equivalents at the end of period	10,535,958.57	789,880,813.80	4,827,464.10	361,914,983.58
Change in net cash	5,708,494.47	427,965,830.22	2,997,362.77	224,712,286.87

PARENT COMPANY PROFIT AND LOSS

	Note	1.10.2014-31.3.2016		1.10.2013-30.9.2014	
		Eur	Rs.	Eur	Rs.
TURNOVER	1	151,414,616.46	11,351,553,796.01	106,490,876.62	7,983,621,020.20
Other operating income	2	13,925,353.71	1,043,983,767.64	4,218,824.37	316,285,263.02
Materials and services	3	(56,160,920.20)	(4,210,384,187.39)	(37,040,243.64)	(2,776,907,065.69)
Personnel expenses	4	(40,452,045.92)	(3,032,689,882.62)	(26,818,950.94)	(2,010,616,751.97)
Depreciations and impairments	5	(6,059,619.99)	(454,289,710.65)	(3,908,152.62)	(292,994,201.92)
Other operating expenses	6	(63,186,911.06)	(4,737,122,722.17)	(39,190,140.99)	(2,938,084,870.02)
PROFIT (LOSS)		(519,527.00)	(38,948,939.19)	3,752,212.80	281,303,393.62
Financial income and expenses	7	(4,183,909.30)	(313,667,680.22)	(1,361,607.92)	(102,079,745.76)
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS		(4,703,436.30)	(352,616,619.41)	2,390,604.88	179,223,647.85
Extraordinary items	8	(328,700.24)	(24,642,656.99)	(600,000.00)	(44,982,000.00)
PROFIT (LOSS) BEFORE TAXES ..		(5,032,136.54)	(377,259,276.40)	1,790,604.88	134,241,647.85
Appropriations	9	1,319,697.75	98,937,740.32	308,598.45	23,135,625.80
Income taxes	10	4,738.67	355,258.09	(586,143.52)	(43,943,179.69)
PROFIT (LOSS) FOR THE FINANCIAL YEAR		(3,707,700.12)	(277,966,278.00)	1,513,059.81	113,434,093.96

PARENT COMPANY BALANCE SHEET

	Note	Eur 31.03.2016	Rs. 31.03.2016	Eur 30.09.2014	Rs. 30.09.2014
ASSETS					
NON CURRENT ASSETS					
Intangible assets	11	6,822,907.76	511,513,394.77	8,051,792.63	603,642,893.47
Tangible assets	12	12,422,356.30	931,304,051.81	6,600,340.60	494,827,534.78
Investments.....	13				
Shares of the group companies.....	14	9,035,224.91	677,370,811.50	14,531,142.00	1,089,399,715.74
Shares of the associated companies.....	14	594,167.77	44,544,757.72	1,196,750.00	89,720,347.50
Receivables from group companies.....	17	13,197,402.79	989,409,287.17	13,683,502.61	1,025,852,190.67
Receivables from associated companies....	17	–	–	140,500.00	10,533,285.00
Other shares.....		3,587,855.55	268,981,530.58	3,667,774.89	274,973,083.50
Other receivables		58,468.68	4,383,396.94	38,641.52	2,896,954.75
TOTAL NON CURRENT ASSETS		45,718,383.76	3,427,507,230.49	47,910,444.25	3,591,846,005.42
CURRENT ASSETS					
Inventories	15	38,250,835.37	2,867,665,127.69	37,243,126.51	2,792,117,194.45
Long-term receivables.....	16	13,611,441.13	1,020,449,741.52	17,083,357.77	1,280,739,332.02
Short-term receivables	17	15,569,042.81	1,167,211,139.47	19,961,013.60	1,496,477,189.59
Financial instruments		3,558.00	266,743.26	3,558.00	266,743.26
Cash and cash equivalents ...		6,439,806.98	482,792,329.29	3,678,372.66	275,767,598.32
TOTAL CURRENT ASSETS		73,874,684.29	5,538,385,081.22	77,969,428.54	5,845,368,057.64
TOTAL ASSETS		119,593,068.05	8,965,892,311.71	125,879,872.79	9,437,214,063.07
EQUITY AND LIABILITIES					
EQUITY					
Share capital.....	18	11,959,146.00	896,577,175.62	9,097,395.00	682,031,703.15
Reserve for invested non-restricted equity	18	39,395,174.64	2,953,456,242.76	27,779,053.14	2,082,595,613.91
Profit (loss) from previous years	18	7,227,704.86	541,861,033.35	6,761,377.80	506,900,493.67
Profit (loss) for the financial year	18	(3,707,700.12)	(277,966,278.00)	1,513,059.81	113,434,093.96
TOTAL EQUITY		54,874,325.38	4,113,928,173.74	45,150,885.75	3,384,961,904.68
ACCUMULATED DEPRECIATION		562,862.74	42,197,819.62	1,721,122.95	129,032,587.56
LIABILITIES					
Long-term liabilities	21	26,868,994.61	2,014,368,525.91	26,554,596.93	1,990,798,131.84
Short-term liabilities.....	22	37,286,885.32	2,795,397,792.44	52,453,267.16	3,932,421,438.99
TOTAL LIABILITIES.....		64,155,879.93	4,809,766,318.35	79,007,864.09	5,923,219,570.83
TOTAL EQUITY AND LIABILITIES.....		119,593,068.05	8,965,892,311.71	125,879,872.79	9,437,214,063.07

PARENT COMPANY CASH FLOW

	Eur	Rs.	Eur	Rs.
	1.10.2014 - 31.3.2016	1.10.2014 - 31.3.2016	1.10.2013 - 30.9.2014	1.10.2013 - 30.9.2014
Cash flow from operating activities				
Profit/loss before extraordinary items.....	(4,696,465.11)	(352,093,989.30)	2,390,604.87	179,223,647.10
Adjustments:				
Depreciations.....	6,052,648.78	453,767,079.04	3,908,152.62	292,994,201.92
Other non-cash items.....	3,322,410.82	249,081,139.18	(1,215,562.84)	(91,130,746.11)
Financial income and expenses.....	1,457,976.88	109,304,526.69	797,860.97	59,815,636.92
Cash generated from operations before net working capital.....	6,136,571.37	460,058,755.61	5,881,055.62	440,902,739.83
Change in working capital				
Change in non-interest-bearing receivables.....	(831,618.92)	(62,346,470.43)	4,460,481.38	334,402,289.06
Change in inventories.....	(2,643,944.78)	(198,216,540.16)	(2,202,645.98)	(165,132,369.12)
Change in non-interest-bearing liabilities...	1,492,336.62	111,880,476.40	(855,308.16)	(64,122,452.76)
Cash generated from operations before financial items and tax.....	4,153,344.29	311,376,221.42	7,283,582.86	546,050,207.01
Interest expenses paid and other financial expenses.....	(2,625,075.40)	(196,801,902.74)	(2,179,817.65)	(163,420,929.22)
Income taxes paid.....	(480,258.36)	(36,004,969.25)	(254,128.91)	(19,052,044.38)
Net cash flow from operating activities	1,048,010.53	78,569,349.43	4,849,636.30	363,577,233.41
Cash flow from investments activities				
Investments in tangible and intangible assets.....	(10,780,194.86)	(808,191,208.65)	(1,334,004.53)	(100,010,319.61)
Proceeds from sales of tangible and intangible assets.....	1,384,651.35	103,807,311.71	362,568.34	27,181,748.45
Proceeds from investments in other investments.....	4,639,218.82	347,802,234.94	(776,528.21)	(58,216,319.90)
Proceeds from repayments of loans.....	8,392,562.07	629,190,378.39	(776,779.46)	(58,235,156.12)
Proceeds from other investments.....	-	-	2,527,280.00	189,470,181.60
Interest received from investments.....	1,029,956.69	77,215,853.05	-	-
Dividends received from investments.....	514.80	38,594.56	-	-
Net cash flow from investing activities.....	4,666,708.87	349,863,163.98	2,536.14	190,134.42

	Eur	Rs.	Eur	Rs.
	1.10.2014 - 31.3.2016	1.10.2014 - 31.3.2016	1.10.2013 - 30.9.2014	1.10.2013 - 30.9.2014
Cash flow from financing activities				
Proceeds from issuance of share capital.....	14,477,872.50	1,085,406,101.33	3,000,000.00	224,910,000.00
Proceeds from short-term borrowings.....	(4,752,789.22)	(356,316,607.82)	(86,744.70)	(6,503,250.16)
Proceeds from long-term borrowing	10,000,000.00	749,700,000.00	8,000,000.00	599,760,000.00
Repayments in long-term borrowings	(21,028,077.61)	(1,576,474,978.42)	(10,207,994.55)	(765,293,351.41)
Interest expenses paid	-	-	-	-
Dividends paid.....	(1,046,732.75)	(78,473,554.27)	(2,272,532.00)	(170,371,724.04)
Group contributions received and paid.....	(600,000.00)	(44,982,000.00)	-	-
Net cash used in financing activities.....	(2,949,727.08)	(221,141,039.19)	(1,567,271.25)	(117,498,325.61)
Net increase/decrease in cash and cash equivalents.....	2,764,992.32	207,291,474.23	3,284,901.19	246,269,042.21
Cash and cash equivalents at the beginning of period	3,678,372.66	275,767,598.32	393,471.47	29,498,556.11
Cash and cash equivalents at the end of period	6,443,364.98	483,059,072.55	3,678,372.66	275,767,598.32
Change in net cash	2,764,992.32	207,291,474.23	3,284,901.19	246,269,042.21

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information

Holiday Club Resorts Oy offers leisure and travel services by selling and renting timeshare weeks and Villas apartments, The group also operates in the Spa hotel business in Finland and in Sweden. Group has activities in four countries.

Holiday Club Resorts Oy is a parent company for the Group, having its registered domicile in Helsinki at Hitsaajankatu 22, 00810 Helsinki.

Holiday Club Resorts Oy is a subsidiary of Covington The Company's registered domicile is in Luxembourg.

Covington S.a.r.l owns 85.6% of the company's shares (4.2% of ownership coming through HCR Management Oy). Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited (domicile in India) and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited (domicile in India).

Accounting principles for the consolidated financial statements

The group's financial statements have been prepared in accordance with the Finnish accounting act and ordinance and other statutes regulating the preparation of financial statements (Finnish Accounting Standards, FAS). The estimates and assumptions made during the preparation of financial statements are based on the latest and on the best knowledge available at the time.

Comparability of the previous financial year

The group's financial statements are presented for the extended 18 months financial period 1.10.2014-31.3.2016. Comparative financial year is for 12 months 1.10.2013-30.9.2014. As a result, proceeding accounting periods are not comparable with regard to the income statement.

Consolidation principles

Intra company ownership

Subsidiaries are consolidated using the acquisition method. The subsidiaries' acquisition cost and the corresponding share of the difference in shareholder's equity has been allocated partly to fixed assets, partially presented as goodwill and as group reserve. The acquired subsidiaries are consolidated from the moment the control has been obtained and divested subsidiaries until the day that the control has ceased to exist.

The consolidated financial statements include the parent company, Holiday Club Resorts Oy and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. This does not include timeshare and Villas apartment companies as they are represented in the current assets. Also, according to the Finnish Accounting Act's chapter six, companies which do not have a material impact on the group's result and financial position, have been left out of the consolidated financial statements.

Intra-group transactions, unrealized internal margin, receivables, liabilities and dividends between group companies are eliminated in consolidation.

The subsidiaries' financial statements are prepared in correspondence of the accounting principles used by the group.

Associated companies

Associated companies are consolidated using the one-line consolidation method in accordance with the instructions of the Finnish Accounting Board. The group's share of the results of the associated companies are shown under other operating income.

All timeshare and Villas apartment companies, including the ones of which the group owns more than 20%, are presented in the current assets as they are actively traded.

Transactions in foreign currencies

Items in the group companies' financial statements are valued in the currency, which is used in each subsidiary's main operating environment (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the group. Assets and liabilities are translated into euros at the closing rate of the balance sheet date. Exchange differences resulting from sales and purchases are recorded as adjustments to the corresponding items above the operating profit. At the company level, exchange

gains and losses from foreign currency denominated loans are presented in the accrued expenses according to the principle of prudence. At the group level, exchange gains and losses are recognized in equity as retained earnings.

Foreign subsidiaries' income statements are translated into euros using the average exchange rates for the period. All balance sheet items, except profit for the period, are translated into euros using the closing exchange rates. The translation differences arising from the translation of income statement and balance sheet at different exchange rates and from eliminating the foreign subsidiaries equity is recognized in the group's equity. When a subsidiary is divested entirely or partially, the cumulative translation difference is recognized in the income statement as a part of the gain or loss from the sale.

Valuation and depreciation of non-current assets Intangible assets

Goodwill

Goodwill represents the excess of the acquisition cost and the acquired company's net assets at the fair value at the date of the acquisition. Goodwill is allocated to cash-generating units, if such can be designated. As a main rule, goodwill is depreciated in 10 years and if the expected future operating cash flow is lower than the carrying amount of the goodwill, an impairment loss is recognized as an expense in the income statement.

Other intangible assets

Intangible assets are recorded in the balance sheet at their original acquisition cost, if the cost can be measured reliably and if it is probable that the expected benefits of the asset will benefit the company. Intangible assets include trademarks, patents, copyrights and software licenses.

Tangible assets

The group companies' tangible assets have been valued in the balance sheet at historical cost less accumulated, straight line depreciations and possible impairment losses. Land areas are not depreciated.

Residual values and useful lifetimes are reviewed at each balance sheet date and, if necessary, adjusted to reflect the changes of expected economic benefits.

Ordinary repair and maintenance costs are expensed as they incur. Significant renovations or additional investments are capitalized and depreciated over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company. Capital gains are presented in other operating income and losses under other operating expenses. The interest expenses related to the acquisition of the asset are expensed.

Fixed asset depreciation periods

The useful lives of the different asset categories are as follows:

Intangible rights	5-10 years
Goodwill and group goodwill	10 years
Long-term expenses	5-10 years
Buildings	50-60 years
Other constructions	10 years
Machinery and equipment	5-10 years
Renovations	5-10 years
Other tangible assets	10 years

The group goodwill is depreciated in 10 years, since the useful life of the acquired operations are considered to be at least 10 years.

The group reserve is allocated, in accordance with the share of ownership, to those assets and liabilities of the subsidiary that the group reserve is considered to derive from. The unallocated portion is recognized in the group's balance sheet as a separate item before liabilities. The group reserve is recognized as income when the corresponding expenditure or loss is recorded as an expense in the income statement of the subsidiary or where it corresponds to a realized return. The unallocated group reserve is recognized as income over time. These procedures are in accordance with the Finnish Accounting Act.

Received grants

Grants received by the company are recorded as other operating income in the income statement during the periods in which the related expenses are incurring. Investment grant for the acquisition of fixed assets is recorded in the balance sheet as accrued expense and recognized in the income statement as revenue over the asset's systematical depreciation period.

Write downs

The values of the assets in the balance sheet are continuously assessed for possible impairment. Impairment is recognized when the asset's carrying amount is greater than its recoverable amount. Impairment losses are recognized in the income statement. Impairment loss related to tangible fixed assets and intangible assets other than goodwill, is reversed if conditions change or if the recoverable amount of the asset changes from the day that the impairment loss was recognized. Impairment is not reversed over the balance sheet value that existed before the write-downs of the previous financial years. Impairment losses on goodwill are not reversed.

Inventory

Inventory is valued at the original acquisition cost or the lower net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and selling in the ordinary course of business. The cost of finished and unfinished products comprises of raw materials, direct labor costs and other direct costs. The costs of selling and financing are not allocated to the acquisition cost.

Revenue recognition

Revenue from services is recognized as income when the service is rendered to the customer. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. At that time, the group has no longer any supervision or control power over the good sold.

Rental income from holiday homes and revenue from hotels are recognized when the customer has accommodated. Income from restaurants and from other services related to hotel activities are recognized as revenue when the service is rendered. Rental income from retail premises are recognized on a straight-line basis over the rental period. Sales of timeshare weeks are recognized at the closing of the deal, so that the company will record a so-called cancellation provision in case of future cancellation of deals. This is done based on previous experience and statistics on customer behavior. Statutory cancellation time is 14 days from the moment the deal was signed.

In this annual report, FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

Income from Villas apartments is recognized by using the stage of completion method in accordance with the guidelines of the Confederation of Finnish Construction Industries and the Finnish Accounting Board.

Timeshare weeks have a 14-day cancellation right stated by the Consumer Protection Act. The cancellation policy is taken into account in profit recognition by taking advantage of the experience and statistics on customer behavior.

Financial instruments

Financial assets The group's cash and cash equivalents consist of cash, bank deposits and other short-term highly liquid investments. Cash and cash equivalents have a maximum maturity of three months from the acquisition date. Financial assets are recognized on the settlement date and derecognized when the group has lost its contractual rights to the cash flows or when it has transferred substantial part of all the risks and rewards of ownership to parties outside the group.

Financial liabilities Financial liabilities are initially recognized at fair value. Transaction costs are expensed as incurred. Financial liabilities are included in long- and short-term liabilities and they can be interest-bearing or non-interest bearing.

Deferred tax assets and liabilities Deferred tax assets and liabilities are calculated with a current tax rate as temporary differences between taxation and financial statements. Deferred tax assets are recognized at the probable amount in the balance sheet.

Use of estimates and assumptions The preparation of financial statements requires management to make estimates and assumptions regarding future events. Actual results may differ from these estimates and assumptions. In addition, management must exercise judgment in applying accounting principles. Estimates are based on management's best knowledge at the time. Possible changes in estimates and assumptions are recognized during the period in which the estimates or assumptions are adjusted and in all subsequent financial periods

The key assumptions and uncertainties concerning the future, which may cause significant changes in the carrying values of assets and liabilities within the next financial year are as follows:

Impairment losses The group reviews fixed assets annually and evaluates indications of impairment as set out above in the accounting policies.

Receivables From uncertain loans and any permanent impairments, the group recognizes a credit loss in accordance with the principle of prudence.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

TURNOVER BY BUSINESS AREAS

Business area review	Group		Parent	
	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Eur				
Timeshare.....	67,301,791.91	52,050,499.68	55,141,491.67	41,867,234.44
Service sector.....	71,797,235.74	44,779,936.59	64,556,890.30	44,007,100.26
Renting	6,735,906.38	3,927,408.30	4,074,983.87	3,111,890.59
Real Estate Management..	8,336,129.11	4,648,589.93	4,125,536.17	1,636,082.32
Villas.....	25,054,650.10	15,842,409.91	23,497,050.42	15,868,334.69
Other Sales.....	4,157,291.23	2,613,413.92	18,664.03	234.32
TOTAL	183,383,004.47	123,862,258.33	151,414,616.46	106,490,876.62

Rs.	1.10.2014-31.3.2016		1.10.2013-30.9.2014	
	Timeshare.....	5,045,615,339.49	3,902,225,961.01	4,133,957,630.50
Service sector.....	5,382,638,763.43	3,357,151,846.15	4,839,830,065.79	3,299,212,306.49
Renting	504,990,901.31	294,437,800.25	305,501,540.73	233,298,437.53
Real Estate Management..	624,959,599.38	348,504,787.05	309,291,446.66	122,657,091.53
Villas.....	1,878,347,118.00	1,187,705,470.95	1,761,573,869.99	1,189,649,051.71
Other Sales.....	311,672,123.51	195,927,641.58	1,399,242.33	17,566.97
TOTAL	13,748,223,845.12	9,285,953,507.00	11,351,553,796.01	7,983,621,020.20

TURNOVER BY MARKET AREAS

Geographical review	Group		Parent	
	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Eur				
Finland.....	153,531,427.00	107,830,261.36	151,414,616.46	106,490,876.62
Sweden	11,617,565.19	2,092,367.29	-	-
Spain.....	18,234,012.28	13,939,629.68	-	-
TOTAL	183,383,004.47	123,862,258.33	151,414,616.46	106,490,876.62

Rs.	1.10.2014-31.3.2016		1.10.2013-30.9.2014	
	Finland.....	11,510,251,082.19	8,084,034,694.16	11,351,553,796.01
Sweden	870,968,862.29	156,864,775.73	-	-
Spain.....	1,367,003,900.63	1,045,054,037.11	-	-
TOTAL	13,748,223,845.12	9,285,953,507.00	11,351,553,796.01	7,983,621,020.20

2. OTHER OPERATING INCOME AND SHARE OF ASSOCIATED COMPANIES RESULTS

OTHER OPERATING INCOME

	Group		Parent	
	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Eur				
Profit from the sales of fixed assets	3,061,088.63	2,374,819.37	2,524,443.79	1,751,716.89
Other income.....	9,036,538.52	2,943,828.26	8,174,399.93	2,467,107.48
Profit from mergers.....	-	-	3,226,509.99	-
Group reserve recognition..	778,217.89	812,892.02	-	-
Total	12,875,845.04	6,131,539.65	13,925,353.71	4,218,824.37

Rs.	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Profit from the sales of fixed assets	229,489,814.59	178,040,208.17	189,257,550.94	131,326,215.24
Other income.....	677,469,292.84	220,698,804.65	612,834,762.75	184,959,047.78
Profit from mergers.....	-	-	241,891,453.95	-
Group reserve recognition..	58,342,995.21	60,942,514.74	-	-
TOTAL	965,302,102.65	459,681,527.56	1,043,983,767.64	316,285,263.02

SHARE OF ASSOCIATED COMPANIES' RESULTS

Eur	Group		Parent	
	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Share of associated companies' profit (loss) ...	(109,015.38)	(418,506.08)	-	-
Total	(109,015.38)	(418,506.08)	-	-

Rs.	1.10.2014-31.3.2016		1.10.2013-30.9.2014	
	Share of associated companies' profit (loss) ...	(8,172,883.04)	(31,375,400.82)	-
Total	(8,172,883.04)	(31,375,400.82)	-	-

3. MATERIALS AND SERVICES

Materials and supplies	Group		Parent	
	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Eur				
Purchases during the financial year	51,022,197.76	33,551,583.10	49,424,006.11	32,968,736.34
Change in inventory.....	(782,992.35)	(1,429,177.38)	(3,566,112.00)	(2,504,844.53)
Total	50,239,205.41	32,122,405.72	45,857,894.11	30,463,891.81
External services.....	12,294,956.72	7,568,947.43	10,303,026.09	6,576,351.83
Materials and services total.....	62,534,162.13	39,691,353.15	56,160,920.20	37,040,243.64

Rs.	1.10.2014-31.3.2016		1.10.2013-30.9.2014	
	Purchases during the financial year	3,825,134,166.07	2,515,362,185.01	3,705,317,738.07
Change in inventory.....	(58,700,936.48)	(107,145,428.18)	(267,351,416.64)	(187,788,194.41)
Total	3,766,433,229.59	2,408,216,756.83	3,437,966,321.43	2,283,877,969.00
External services.....	921,752,905.30	567,443,988.83	772,417,865.97	493,029,096.70
Materials and services total.....	4,688,186,134.89	2,975,660,745.66	4,210,384,187.39	2,776,907,065.69

4. PERSONNEL AND MEMBERS OF THE BOARD

PERSONNEL EXPENSES

Eur	Group		Parent	
	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2014-31.3.2016	1.10.2013-30.9.2014
Salaries, wages, comissions	42,602,369.02	27,827,461.90	32,536,463.48	21,632,241.63
Pension expenses	6,072,222.84	4,042,804.24	6,122,419.52	3,987,528.70
Other indirect employee expenses	4,463,324.41	2,681,346.99	1,793,162.92	1,199,180.61
TOTAL	53,137,916.27	34,551,613.13	40,452,045.92	26,818,950.94

Rs.	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Salaries, wages, comissions	3,193,899,605.43	2,086,224,818.64	2,439,258,667.10	1,621,769,155.00
Pension expenses	455,234,546.31	303,089,033.87	458,997,791.41	298,945,026.64
Other indirect employee expenses	334,615,431.02	201,020,583.84	134,433,424.11	89,902,570.33
TOTAL	3,983,749,582.76	2,590,334,436.36	3,032,689,882.62	2,010,616,751.97

EXECUTIVE REMUNERATION

Eur	Group	Group	Parent	Parent
	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Chief executive officers....	742,448.95	692,680.90	-	-
Members of the board of directors	91,500.00	78,000.00	91,500.00	78,000.00
TOTAL	833,948.95	770,680.90	91,500.00	78,000.00

The remuneration of the parent company CEO has not been specified, since it concerns only one person.

In addition a fee of 78,000€ (Rs. 5,847,660) was paid to board of directors during the financial year 2013-2014.

Rs.	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Chief executive officers....	55,661,397.58	51,930,287.27	-	-
Members of the board of directors	6,859,755.00	5,847,660.00	6,859,755.00	5,847,660.00
TOTAL	62,521,152.58	57,777,947.27	6,859,755.00	5,847,660.00

THE AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

	Group	Group	Parent	Parent
	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Employees	782	722	504	516
Total	782	722	504	516

The retirement age of the group and parent company CEO is 60 years.

5. DEPRECIATIONS AND IMPAIRMENTS

Eur	Group	Group	Parent	Parent
	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Intangible assets.....	1,021,737.83	186,772.96	1,021,737.83	186,772.96
Goodwill	972,855.17	645,158.82	405,443.04	290,621.24
Other long-term expenses..	1,543,142.85	1,015,841.34	1,534,952.35	1,174,142.37
Buildings and structures ..	963,982.78	506,121.09	14,503.11	-
Machinery and equipment..	3,621,784.57	2,313,045.89	2,656,791.82	1,791,357.29
Other tangible assets	135,972.80	178,379.47	6,018.22	-
Impairment losses from investments in non current Assets	3,204,679.25	0.00	420,173.62	465,258.76
Total	11,464,155.25	4,845,319.57	6,059,619.99	3,908,152.62
Group goodwill	82,542.07	72,786.47	-	-
TOTAL	11,546,697.32	4,918,106.04	6,059,619.99	3,908,152.62

Rs.	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Intangible assets.....	76,599,685.12	14,002,368.81	76,599,685.12	14,002,368.81
Goodwill	72,934,952.09	48,367,556.74	30,396,064.71	21,787,874.36
Other long-term expenses..	115,689,419.46	76,157,625.26	115,075,377.68	88,025,453.48
Buildings and structures ..	72,269,789.02	37,943,898.12	1,087,298.16	-
Machinery and equipment..	271,525,189.21	173,409,050.37	199,179,682.75	134,298,056.03
Other tangible assets	10,193,880.82	13,373,108.87	451,185.95	-
Impairment losses from investments in non current Assets	240,254,803.37	-	31,500,416.29	34,880,449.24
Total	859,467,719.09	363,253,608.16	454,289,710.65	292,994,201.92
Group goodwill	6,188,178.99	5,456,801.66	-	-
TOTAL	865,655,898.08	368,710,409.82	454,289,710.65	292,994,201.92

6. OTHER OPERATING EXPENSES

Eur	Group	Group	Parent	Parent
	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Voluntary employee expenses	692,389.42	619,414.91	544,674.24	503,003.47
Rents	20,249,982.48	14,105,042.17	19,365,618.83	14,288,717.98
Maintenance fees	8,946,340.96	5,431,633.51	8,714,297.17	5,182,649.85
Marketing expenses	13,954,608.41	8,470,982.28	10,972,359.51	6,416,800.04
Travel and entertainment expenses	1,708,968.00	1,009,757.80	1,329,439.65	762,570.76
Maintenance expenses.....	3,777,110.23	2,014,914.81	4,291,770.80	2,550,076.15
Real estate expenses	9,855,635.70	5,900,142.43	6,613,356.19	4,244,148.77
Other operating expenses...	12,743,058.21	8,099,577.48	11,355,394.67	5,242,173.97
TOTAL	71,928,093.41	45,651,465.39	63,186,911.06	39,190,140.99

Rs.	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Voluntary employee expenses	51,908,434.82	46,437,535.80	40,834,227.77	37,710,170.15
Rents	1,518,141,186.53	1,057,455,011.48	1,451,840,443.69	1,071,225,186.96
Maintenance fees	670,707,181.77	407,209,564.24	653,310,858.83	388,543,259.25
Marketing expenses	1,046,176,992.50	635,069,541.53	822,597,792.46	481,067,499.00
Travel and entertainment expenses	128,121,330.96	75,701,542.27	99,668,090.56	57,169,929.88
Maintenance expenses.....	283,169,953.94	151,058,163.31	321,754,056.88	191,179,208.97
Real estate expenses	738,877,008.43	442,333,677.98	495,803,313.56	318,183,833.29
Other operating expenses...	955,347,074.00	607,225,323.68	851,313,938.41	393,005,782.53
TOTAL	5,392,449,162.95	3,422,490,360.29	4,737,122,722.17	2,938,084,870.02

AUDITING FEES

Eur	Group	Group	Parent	Parent
	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Auditing services	277,498.44	156,727.06	191,990.71	93,892.22
Tax consultancy	67,114.49	15,023.71	1,701.60	15,023.71
Other fees	4,513.21	34,044.87	48,428.29	27,414.45
TOTAL	349,126.14	205,795.64	242,120.60	136,330.38

HOLIDAY CLUB RESORTS OY

Rs.	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Auditing services	20,804,058.05	11,749,827.69	14,393,543.53	7,039,099.73
Tax consultancy	5,031,573.32	1,126,327.54	127,568.95	1,126,327.54
Other fees	338,355.35	2,552,343.90	3,630,668.90	2,055,261.32
TOTAL	26,173,986.72	15,428,499.13	18,151,781.38	10,220,688.59

7. FINANCIAL INCOME AND EXPENSE

	Group 1.10.2014- 31.3.2016	Group 1.10.2013- 30.9.2014	Parent 1.10.2014- 31.3.2016	Parent 1.10.2013- 30.9.2014
Eur				
Dividends	514.80	391.20	514.80	390.00
Interest from Cooperative Capital	-	1,200.00	-	1,200.00
Other interest and financial income	-	-	897,591.44	749,220.10
Group companies	-	-	897,591.44	749,220.10
Associated companies	16,925.34	17,467.13	16,925.34	17,467.13
Others	395,511.16	139,682.41	115,439.91	63,852.33
Total interest income	412,436.50	157,149.54	1,029,956.69	830,539.56
Total for financial income	412,951.30	158,740.74	1,030,471.49	832,129.56
Interest expenses and other financial expenses	-	-	421,472.00	300,743.95
Group companies	-	-	421,472.00	300,743.95
Others	2,113,149.47	2,186,365.00	1,754,796.13	1,892,993.53
Other financial expenses	-	-	-	-
Impairment losses from financial securities	2,103,464.08	-	2,725,932.42	-
Others	496,513.15	-	312,180.24	-
Total interest expenses	4,713,126.70	2,186,365.00	5,214,380.79	2,193,737.48
Financial income and expense	(4,300,175.40)	(2,027,624.26)	(4,183,909.30)	(1,361,607.92)
Rs.				
Dividends	38,594.56	29,328.26	38,594.56	29,238.30
Interest from Cooperative Capital	-	89,964.00	-	89,964.00
Other interest and financial income	-	-	67,292,430.26	56,169,030.90
Group companies	-	-	67,292,430.26	56,169,030.90
Associated companies	1,268,892.74	1,309,510.74	1,268,892.74	1,309,510.74
Others	29,651,471.67	10,471,990.28	8,654,530.05	4,787,009.18
Total interest income	30,920,364.41	11,781,501.01	77,215,853.05	62,265,550.81
Total for financial income	30,958,958.96	11,900,793.28	77,254,447.61	62,384,753.11
Interest expenses and other financial expenses	-	-	31,597,755.84	22,546,773.93
Group companies	-	-	31,597,755.84	22,546,773.93
Others	158,422,815.77	163,911,784.05	131,557,065.87	141,917,724.94
Other financial expenses	-	-	-	-
Impairment losses from financial securities	157,696,702.08	-	204,363,153.53	-
Others	37,223,590.86	-	23,404,152.59	-
Total interest expenses	353,343,108.70	163,911,784.05	390,922,127.83	164,464,498.88
Financial income and expense	(322,384,149.74)	(152,010,990.77)	(313,667,680.22)	(102,079,745.76)

From the financial year 2009-2010 onwards, unrealized exchange rate gains from long-term loan receivables have been presented in accrued expenses in parent company according to the principle of prudence. Exchange rate differences from internal loans are presented in equity as translation differences in Group accounts.

8. EXTRAORDINARY ITEMS

	Group 1.10.2014- 31.3.2016	Group 1.10.2013- 30.9.2014	Parent 1.10.2014- 31.3.2016	Parent 1.10.2013- 30.9.2014
Eur				
Group contribution	-	-	-	600,000.00
Other extraordinary items ..	310,177.19	-	328,700.24	-
TOTAL	310,177.19	-	328,700.24	600,000.00
Rs.				
Group contribution	-	-	-	44,982,000.00
Other extraordinary items ..	23,253,983.93	-	24,642,656.99	-
TOTAL	23,253,983.93	-	24,642,656.99	44,982,000.00

9. APPROPRIATIONS

	Group 1.10.2014- 31.3.2016	Group 1.10.2013- 30.9.2014	Parent 1.10.2014- 31.3.2016	Parent 1.10.2013- 30.9.2014
Eur				
Change in accumulated depreciation	-	-	-	-
Intangible assets	-	-	(75,999.29)	(37,164.33)
Goodwill	-	-	10,268.48	268.49
Buildings and structures ..	-	-	(1,725.77)	-
Machinery and equipment ..	-	-	1,595,920.21	65,552.36
Other long-term expenses	-	-	(208,765.88)	279,941.93
TOTAL	-	-	1,319,697.75	308,598.45
Rs.				
Intangible assets	-	-	(5,697,666.77)	(2,786,209.82)
Goodwill	-	-	769,827.95	20,128.70
Buildings and structures ..	-	-	(129,380.98)	-
Machinery and equipment ..	-	-	119,646,138.14	4,914,460.43
Other long-term expenses	-	-	(15,651,178.02)	20,987,246.49
TOTAL	-	-	98,937,740.32	23,135,625.80

10. INCOME TAXES

	Group 1.10.2014- 31.3.2016	Group 1.10.2013- 30.9.2014	Parent 1.10.2014- 31.3.2016	Parent 1.10.2013- 30.9.2014
Eur				
Income taxes from operating activities	(43,352.38)	913,569.90	-	582,416.09
Income taxes, previous financial year	2,501.98	(128,731.95)	4,738.67	3,727.43
Change in deferred tax receivables	468,516.00	142,347.64	-	-
Change in deferred tax liabilities	178,040.02	(294,192.64)	-	-
TOTAL	605,705.62	632,992.95	4,738.67	586,143.52
Rs.				
Income taxes from operating activities	(3,250,127.93)	68,490,335.40	-	43,663,734.27
Income taxes, previous financial year	187,573.44	(9,651,034.29)	355,258.09	279,445.43
Change in deferred tax receivables	35,124,644.52	10,671,802.57	-	-
Change in deferred tax liabilities	13,347,660.30	(22,055,622.22)	-	-
TOTAL	45,409,750.33	47,455,481.46	355,258.09	43,943,179.69

11. INTANGIBLE ASSETS AND GROUP GOODWILL, GROUP

Eur	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Group goodwill	Total
Acquisition cost 1.10.2014.....	1,409,166.59	7,509,677.59	6,454,785.53	2,366,288.65	3,967,395.38	21,707,313.74
Translation difference.....	(1,343.65)	–	(2,651.66)	–	–	(3,995.31)
Additions.....	690,362.68	1,639,615.10	683,306.27	40,724.71	159,907.20	3,213,915.96
Deductions.....	(15,035.15)	(172,742.29)	(179,921.41)	–	–	(367,698.85)
Transfers between items.....	2,366,288.65	–	–	(2,366,288.65)	–	–
Acquisition cost 31.3.2016.....	4,449,439.12	8,976,550.40	6,955,518.73	40,724.71	4,127,302.58	24,549,535.54
Accumulated depreciations 1.10.2014.....	(746,948.54)	(4,184,213.31)	(2,428,038.16)	–	(3,589,337.46)	(10,948,537.47)
Translation difference.....	1,343.66	–	(539.49)	–	–	804.17
Accumulated depreciations from transfers/ deductions.....	3,028.35	91,218.25	52,477.38	–	–	146,723.98
Depreciations/impairments during financial year.....	(1,441,911.45)	(1,543,142.85)	(972,855.17)	–	(479,975.25)	(4,437,884.72)
Accumulated depreciations 31.3.2016.....	(2,184,487.98)	(5,636,137.91)	(3,348,955.44)	–	(4,069,312.71)	(15,238,894.04)
Book value 31.3.2016.....	2,264,951.14	3,340,412.49	3,606,563.29	40,724.71	57,989.87	9,310,641.50

Rs.	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Group goodwill	Total
Acquisition cost 1.10.2014.....	105,645,219.25	563,000,528.92	483,915,271.18	177,400,660.09	297,435,631.64	1,627,397,311.09
Translation difference.....	(100,733.44)	–	(198,795.21)	–	–	(299,528.65)
Additions.....	51,756,490.12	122,921,944.05	51,227,471.32	3,053,131.51	11,988,242.78	240,947,279.78
Deductions.....	(1,127,185.20)	(12,950,489.48)	(13,488,708.11)	–	–	(27,566,382.78)
Transfers between items.....	177,400,660.09	–	–	(177,400,660.09)	–	–
Acquisition cost 31.3.2016.....	333,574,450.83	672,971,983.49	521,455,239.19	3,053,131.51	309,423,874.42	1,840,478,679.43
Accumulated depreciations 1.10.2014.....	(55,998,732.04)	(313,690,471.85)	(182,030,020.86)	–	(269,092,629.38)	(820,811,854.13)
Translation difference.....	100,734.19	–	(40,445.57)	–	–	60,288.62
Accumulated depreciations from transfers/ deductions.....	227,035.40	6,838,632.20	3,934,229.18	–	–	10,999,896.78
Depreciations/impairments during financial year.....	(108,100,101.41)	(115,689,419.46)	(72,934,952.09)	–	(35,983,744.49)	(332,708,217.46)
Accumulated depreciations 31.3.2016.....	(163,771,063.86)	(422,541,259.11)	(251,071,189.34)	–	(305,076,373.87)	(1,142,459,886.18)
Book value 31.3.2016.....	169,803,386.97	250,430,724.38	270,384,049.85	3,053,131.51	4,347,500.55	698,018,793.26

11. INTANGIBLE ASSETS, PARENT COMPANY

Eur	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Total
Acquisition cost 1.10.2014.....	1,226,495.47	7,701,119.12	2,906,213.08	2,366,288.65	14,200,116.32
Additions.....	690,362.68	1,586,913.93	–	40,724.71	2,318,001.32
Deductions.....	(3,028.35)	(172,742.29)	(179,921.41)	–	(355,692.05)
Transfers between items.....	2,366,288.65	53,346.09	–	(2,366,288.65)	53,346.09
Acquisition cost 31.3.2016.....	4,280,118.45	9,168,636.85	2,726,291.67	40,724.71	16,215,771.68
Accumulated depreciations 1.10.2014.....	(576,284.22)	(4,392,473.40)	(1,179,566.07)	–	(6,148,323.69)
Accumulated depreciations from transfers/ deductions.....	3,028.35	82,260.88	52,477.38	–	137,766.61
Depreciations for the financial year.....	(1,021,737.83)	(1,534,952.35)	(405,443.04)	–	(2,962,133.22)
Impairments.....	(420,173.62)	–	–	–	(420,173.62)
Accumulated depreciations 31.3.2016.....	(2,015,167.32)	(5,845,164.87)	(1,532,531.73)	–	(9,392,863.92)
Book value 31.3.2016.....	2,264,951.13	3,323,471.98	1,193,759.94	40,724.71	6,822,907.76

HOLIDAY CLUB RESORTS OY

Rs.	Intangible assets	Other long-term expenses	Goodwill	Advance payments	Total
Acquisition cost 1.10.2014.....	91,950,365.39	577,352,900.43	217,878,794.61	177,400,660.09	1,064,582,720.51
Additions.....	51,756,490.12	118,970,937.33	-	3,053,131.51	173,780,558.96
Deductions.....	(227,035.40)	(12,950,489.48)	(13,488,708.11)	-	(26,666,232.99)
Transfers between items.....	177,400,660.09	3,999,356.37	-	(177,400,660.09)	3,999,356.37
Acquisition cost 31.3.2016	320,880,480.20	687,372,704.64	204,390,086.50	3,053,131.51	1,215,696,402.85
Accumulated depreciations 1.10.2014.....	(43,204,027.97)	(329,303,730.80)	(88,432,068.27)	-	(460,939,827.04)
Accumulated depreciations from transfers/deductions.....	227,035.40	6,167,098.17	3,934,229.18	-	10,328,362.75
Depreciations/impairments during financial year.....	(76,599,685.12)	(115,075,377.68)	(30,396,064.71)	-	(222,071,127.50)
Impairments.....	(31,500,416.29)	-	-	-	(31,500,416.29)
Accumulated depreciations 31.3.2016	(151,077,093.98)	(438,212,010.30)	(114,893,903.80)	-	(704,183,008.08)
Book value 31.3.2016	169,803,386.22	249,160,694.34	89,496,182.70	3,053,131.51	511,513,394.77

12. TANGIBLE ASSETS, GROUP

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Eur						
Acquisition cost 1.10.2014.....	14,383,024.52	17,666,562.43	17,201,422.82	3,757,695.09	114,323.77	53,123,028.63
Translation difference.....	(9,335.38)	(9,520.98)	(1,891.64)	-	-	(20,748.00)
Additions.....	1,765,756.37	2,655,587.58	2,627,432.02	53,024.00	19,024.14	7,120,824.11
Deductions.....	(2,016,495.79)	(1,348,764.19)	(113,909.14)	-	(50,038.48)	(3,529,207.60)
Transfers between items.....	150,000.00	1,125,496.06	(245,632.84)	(837,427.36)	(44,491.28)	147,944.58
Acquisition cost 31.3.2016	14,272,949.72	20,089,360.90	19,467,421.22	2,973,291.73	38,818.15	56,841,841.72
Accumulated depreciations 1.10.2014.....	(1,169,156.51)	(2,827,123.90)	(6,602,477.30)	(198,999.73)	-	(10,797,757.44)
Re-classification between the acquisition cost and depreciations.....	-	-	-	-	-	-
Translation difference.....	-	(87.85)	(339.57)	-	-	(427.42)
Accumulated depreciations from transfers/ Additions.....	-	-	(80,694.93)	-	-	(80,694.93)
Accumulated depreciations from deductions and transfers.....	-	(107,090.17)	62,565.18	80,478.54	-	35,953.55
Depreciations/impairments during financial year.....	(1,725,972.45)	(963,982.78)	(3,621,784.57)	(797,972.80)	-	(7,109,712.60)
Accumulated depreciations 31.3.2016	(2,895,128.96)	(3,898,284.70)	(10,242,731.19)	(916,493.99)	-	(17,952,638.84)
Book value 31.3.2016	11,377,820.76	16,191,076.20	9,224,690.03	2,056,797.74	38,818.15	38,889,202.88
					Unfinished assets and advance payments	
Rs.						Total
Acquisition cost 1.10.2014.....	1,078,295,348.40	1,324,462,185.13	1,289,590,668.82	281,714,400.90	8,570,853.04	3,982,633,456.28
Translation difference.....	(699,873.44)	(713,787.87)	(141,816.25)	-	-	(1,555,477.56)
Additions.....	132,378,755.06	199,089,400.87	196,978,578.54	3,975,209.28	1,426,239.78	533,848,183.53
Deductions.....	(151,176,689.38)	(101,116,851.32)	(8,539,768.23)	-	(3,751,384.85)	(264,584,693.77)
Transfers between items.....	11,245,500.00	84,378,439.62	(18,415,094.01)	(62,781,929.18)	(3,335,511.26)	11,091,405.16
Acquisition cost 31.3.2016	1,070,043,040.65	1,506,099,386.42	1,459,472,568.86	222,907,681.00	2,910,196.71	4,261,432,873.63
Accumulated depreciations 1.10.2014.....	(87,651,663.55)	(211,949,478.78)	(494,987,723.18)	(14,919,009.76)	-	(809,507,875.28)
Re-classification between the acquisition cost and depreciations.....	-	-	-	-	-	-
Translation difference.....	-	(6,586.11)	(25,457.56)	-	-	(32,043.68)
Accumulated depreciations from additions/ transfers.....	-	-	(6,049,698.90)	-	-	(6,049,698.90)
Accumulated depreciations from deductions and transfers.....	-	(8,028,550.04)	4,690,511.54	6,033,476.14	-	2,695,437.64
Depreciations/impairments for the financial year.....	(129,396,154.58)	(72,269,789.02)	(271,525,189.21)	(59,824,020.82)	-	(533,015,153.62)
Accumulated depreciations 31.3.2016	(217,047,818.13)	(292,254,403.96)	(767,897,557.31)	(68,709,554.43)	-	(1,345,909,333.83)
Book value 31.3.2016	852,995,222.51	1,213,844,982.46	691,575,011.55	154,198,126.57	2,910,196.71	2,915,523,539.80

12. TANGIBLE ASSETS, PARENT COMPANY

Eur	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost 1.10.2014.....	233,931.38	-	11,322,174.04	-	74,323.77	11,630,429.19
Additions.....	832,000.00	231,841.13	1,724,341.35	-	7,822.74	2,796,005.22
Deductions.....	(572,590.15)	-	(63,499.02)	-	(54,358.36)	(690,447.53)
Transfers between items.....	1,988,144.92	1,925,475.78	1,158,271.20	2,806,673.17	-	7,878,565.07
Acquisition cost 31.3.2016.....	2,481,486.15	2,157,316.91	14,141,287.57	2,806,673.17	27,788.15	21,614,551.95
Accumulated depreciations and impairments 1.10.2014.....	-	-	(5,030,088.59)	-	-	(5,030,088.59)
Accumulated depreciations from deductions and transfers.....	-	(246,741.51)	(343,515.18)	(894,537.22)	-	(1,484,793.91)
Depreciations for the financial year.....	-	(14,503.11)	(2,656,791.82)	(6,018.22)	-	(2,677,313.15)
Accumulated depreciations 31.3.2016.....	-	(261,244.62)	(8,030,395.59)	(900,555.44)	-	(9,192,195.65)
Book value 31.3.2016.....	2,481,486.15	1,896,072.29	6,110,891.98	1,906,117.73	27,788.15	12,422,356.30

Rs.	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost 1.10.2014.....	17,537,835.56	-	848,823,387.78	-	5,572,053.04	871,933,276.37
Additions.....	62,375,040.00	17,381,129.52	129,273,871.01	-	586,470.82	209,616,511.34
Deductions.....	(42,927,083.55)	-	(4,760,521.53)	-	(4,075,246.25)	(51,762,851.32)
Transfers between items.....	149,051,224.65	144,352,919.23	86,835,591.86	210,416,287.55	-	590,656,023.30
Acquisition cost 31.3.2016.....	186,037,016.67	161,734,048.74	1,060,172,329.12	210,416,287.55	2,083,277.61	1,620,442,959.69
Accumulated depreciations and impairments 1.10.2014.....	-	-	(377,105,741.59)	-	-	(377,105,741.59)
Accumulated depreciations from deductions and transfers.....	-	(18,498,211.00)	(25,753,333.04)	(67,063,455.38)	-	(111,314,999.43)
Depreciations for the financial year.....	-	(1,087,298.16)	(199,179,682.75)	(451,185.95)	-	(200,718,166.86)
Accumulated depreciations 31.3.2016.....	-	(19,585,509.16)	(602,038,757.38)	(67,514,641.34)	-	(689,138,907.88)
Book value 31.3.2016.....	186,037,016.67	142,148,539.58	458,133,571.74	142,901,646.22	2,083,277.61	931,304,051.81

13. INVESTMENTS, GROUP

Eur	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Acquisition cost 1.10.2014.....	4,148,613.38	829,490.31	67,864.52	140,500.00	5,186,468.21
Translation difference.....	(1,892.36)	-	-	-	(1,892.36)
Additions.....	42,201.00	522,642.52	-	44,100.00	608,943.52
Deductions.....	(500.00)	(197,197.92)	-	-	(197,697.92)
Share of associated companies' results.....	-	(109,015.37)	-	-	(109,015.37)
Impairments.....	(469,346.50)	(687,144.27)	(67,864.52)	(18,000.00)	(1,242,355.29)
Transfers between items.....	(129,949.98)	(1,089.69)	58,468.68	(166,600.00)	(239,170.99)
Book value 31.3.2016.....	3,589,125.54	357,685.58	58,468.68	-	4,005,279.80

Rs.	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Acquisition cost 1.10.2014.....	311,021,545.10	62,186,888.54	5,087,803.06	10,533,285.00	388,829,521.70
Translation difference.....	(141,870.27)	-	-	-	(141,870.27)
Additions.....	3,163,808.97	39,182,509.72	-	3,306,177.00	45,652,495.69
Deductions.....	(37,485.00)	(14,783,928.06)	-	-	(14,821,413.06)
Share of associated companies' results.....	-	(8,172,882.29)	-	-	(8,172,882.29)
Impairments.....	(35,186,907.11)	(51,515,205.92)	(5,087,803.06)	(1,349,460.00)	(93,139,376.09)
Transfers between items.....	(9,742,350.00)	(81,694.06)	4,383,396.94	(12,490,002.00)	(17,930,649.12)
Book value 31.3.2016.....	269,076,741.70	26,815,687.93	4,383,396.94	-	300,275,826.57

13. INVESTMENTS, PARENT COMPANY

Eur	Shares in group companies	Shares in associated companies	Other shares	Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost 1.10.2014	14,831,142.00	1,196,750.00	3,833,033.65	13,683,502.61	140,500.00	38,641.52	33,723,569.78
Additions	2,237,283.12	91,442.52	20,001.00	23,160.00	44,100.00	-	2,415,986.64
Additions from mergers.....	1,340,799.46	431,200.00	196,172.49	(273,699.82)	-	58,468.68	-
Deductions.....	(2,252,760.86)	-	(506.40)	-	-	-	(2,253,267.26)
Deductions from mergers.....	(6,660,232.24)	-	-	(196,660.00)	-	-	-
Transfers between items	451,500.00	(246,000.00)	-	(38,900.00)	(166,600.00)	-	-
Acquisition cost 31.3.2016	9,947,731.48	1,473,392.52	4,048,700.74	13,197,402.79	18,000.00	97,110.20	28,782,337.73
Accumulated depreciations and impairments 1.10.2013.....	(300,000.00)	-	(165,258.76)	-	-	-	(465,258.76)
Impairments for the financial year.....	(612,506.57)	(879,224.75)	(295,586.43)	-	(18,000.00)	(38,641.52)	(1,843,959.27)
Accumulated depreciations 31.3.2016.....	(912,506.57)	(879,224.75)	(460,845.19)	-	(18,000.00)	(38,641.52)	(2,309,218.03)
Book value 31.3.2016	9,035,224.91	594,167.77	3,587,855.55	13,197,402.79	-	58,468.68	26,473,119.70

RS	Shares in group companies	Shares in associated companies	Other shares	Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost 1.10.2014	1,111,890,715.74	89,720,347.50	287,362,532.74	1,025,852,190.67	10,533,285.00	2,896,954.75	2,528,256,026.41
Additions	167,729,115.51	6,855,445.72	1,499,474.97	1,736,305.20	3,306,177.00	-	181,126,518.40
Additions from mergers.....	100,519,735.52	32,327,064.00	14,707,051.58	(20,519,275.51)	-	4,383,396.94	-
Deductions.....	(168,889,481.67)	-	(37,964.81)	-	-	-	(168,927,446.48)
Deductions from mergers.....	(499,317,611.03)	-	-	(14,743,600.20)	-	-	-
Transfers between items	33,848,955.00	(18,442,620.00)	-	(2,916,333.00)	(12,490,002.00)	-	-
Acquisition cost 31.3.2016	745,781,429.06	110,460,237.22	303,531,094.48	989,409,287.17	1,349,460.00	7,280,351.69	2,157,811,859.62
Accumulated depreciations and impairments 1.10.2013.....	(22,491,000.00)	-	(12,389,449.24)	-	-	-	(34,880,449.24)
Impairments for the financial year.....	(45,919,617.55)	(65,915,479.51)	(22,160,114.66)	-	(1,349,460.00)	(2,896,954.75)	(138,241,626.47)
Accumulated depreciations 31.3.2016.....	(68,410,617.55)	(65,915,479.51)	(34,549,563.89)	-	(1,349,460.00)	(2,896,954.75)	(173,122,075.71)
Book value 31.3.2016	677,370,811.50	44,544,757.72	268,981,530.58	989,409,287.17	-	4,383,396.94	1,984,689,783.91

14. GROUP COMPANIES

Consolidated	Domicile	Group ownership %	Parent ownership %
Caribia Service Oy	Turku	100.00	100.00
Kiinteistö Oy Himoksen Tähti 2	Helsinki	100.00	100.00
Holiday Club Canarias Investment S.L.	Las Palmas	100.00	-
Holiday Club Canarias Resort Management S.L.	Las Palmas	100.00	-
Holiday Club Canarias Sales & Marketing S.L.	Las Palmas	100.00	-
Holiday Club Rus LLC	Pietari	100.00	100.00
Holiday Club Sweden AB	Åre	100.00	100.00
Kiinteistö Oy Himos Gardens	Helsinki	100.00	100.00
Kiinteistö Oy Kuusamon Pulkajärvi 1	Kuusamo	100.00	100.00
Kiinteistö Oy Rauhanranta 1	Helsinki	100.00	100.00
Kiinteistö Oy Rauhanranta 2	Helsinki	100.00	100.00
Kiinteistö Oy Katinnurkka	Helsinki	100.00	100.00
Kiinteistö Oy Tiurunniemi	Helsinki	100.00	100.00
Kiinteistö Oy Tenetinlahti	Helsinki	100.00	100.00
Kiinteistö Oy Tunturinrivi	Salla	100.00	100.00

Consolidated	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Vanha Ykköstii	Helsinki	100.00	100.00
Suomen vapaa-aikakiinteistöt Oy	Tampere	100.00	100.00
Ownership Services AB	Åre	100.00	–
Åre Semesterby A	Åre	100.00	–
Åre Semesterby B	Åre	100.00	–
Åre Semesterby C	Åre	100.00	–
Åre Semesterby D	Åre	100.00	–
Kiinteistö Oy Kylpylätorni 1	Lappeenranta	100.00	100.00
Kiinteistö Oy Rauhan Liikekiinteistöt 1	Lappeenranta	100.00	100.00
Åre Villas 1 Ab	Åre	100.00	–
Åre Villas 2 Ab	Åre	100.00	–
Holiday Club Sport and Spa Hotels Ab	Åre	51.00	–
Kiinteistö Oy Spa Lofts 2	Lappeenranta	100.00	100.00
Kiinteistö Oy Spa Lofts 3	Lappeenranta	100.00	100.00
Kiinteistö Oy Mällönsieni	Sotkamo	100.00	100.00
Supermarket Capri Oy	Lappeenranta	100.00	100.00
Saimaa Gardens Arena Oy	Lappeenranta	100.00	100.00

Associated companies	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Seniori-Saimaa	Lappeenranta	31.15	31.15
Holiday Club Adventures Oy	Lappeenranta	30.00	30.00
Koy Sallan Kylpylä	Salla	49.00	49.00

All associated companies have been consolidated into the group financial statements.

15. INVENTORY

Eur	Group		Parent	
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Materials and supplies	714,425.73	488,080.61	547,454.35	418,280.16
Timeshare.....	41,535,740.91	44,695,535.36	30,155,747.58	31,476,112.06
Unfinished construction projects	(1,169,286.95)	1,396,120.85	3,974,807.82	915,830.25
Other inventory	2,350,330.84	2,319,086.43	2,350,330.84	2,319,086.43
Villas apartments	7,756,277.66	2,113,817.62	1,222,494.78	2,113,817.61
Total	51,187,488.19	51,012,640.87	38,250,835.37	37,243,126.51

Rs.	Group		Parent	
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Materials and supplies	53,560,496.98	36,591,403.33	41,042,652.62	31,358,463.60
Timeshare.....	3,113,934,496.02	3,350,824,285.94	2,260,776,396.07	2,359,764,121.14
Unfinished construction projects	(87,661,442.64)	104,667,180.12	297,991,342.27	68,659,793.84
Other inventory	176,204,303.07	173,861,909.66	176,204,303.07	173,861,909.66
Villas apartments	581,488,136.17	158,472,906.97	91,650,433.66	158,472,906.22
Total	3,837,525,989.60	3,824,417,686.02	2,867,665,127.69	2,792,117,194.45

RECEIVABLES

16. LONG-TERM RECEIVABLES

Eur	Group		Parent	
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Sales receivables.....	1,454,448.02	884,187.97	599,810.90	530,583.18
Loan receivables from group companies.....	–	–	12,994,963.55	15,329,441.25
Loan receivables.....	16,666.68	1,223,333.34	16,666.68	1,223,333.34
Other receivables.....	93,603.26	152,071.94	–	–
Deferred tax receivable.....	1,335,277.86	866,761.86	–	–
Total	2,899,995.82	3,126,355.11	13,611,441.13	17,083,357.77

HOLIDAY CLUB RESORTS OY

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Sales receivables.....	109,039,968.06	66,287,572.11	44,967,823.17	39,777,821.00
Loan receivables from group companies.....	-	-	974,232,417.34	1,149,248,210.51
Loan receivables.....	1,249,501.00	91,713,300.50	1,249,501.00	91,713,300.50
Other receivables.....	7,017,436.40	11,400,833.34	-	-
Deferred tax receivable.....	100,105,781.16	64,981,136.64	-	-
Total	217,412,686.63	234,382,842.60	1,020,449,741.52	1,280,739,332.02

17. SHORT-TERM RECEIVABLES

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Sales receivables	13,323,111.30	14,380,985.25	7,754,507.19	7,044,739.07
Receivables from group companies.....	-	-	-	-
Sales receivables	-	-	345,917.24	184,022.94
Loan receivables	-	-	2,508,183.85	7,820,028.31
Accrued income	-	-	1,581,052.31	2,195,196.49
Receivables from group companies, total	-	-	4,435,153.40	10,199,247.74
Receivables from associated companies				
Sales receivables	26,444.70	146,145.27	-	146,145.27
Loan receivables	-	136,500.00	-	136,500.00
Accrued income	-	7,668.83	-	7,668.83
Receivables from associated companies, total	26,444.70	290,314.10	-	290,314.10
Loan receivables.....	314,327.17	313,533.00	314,327.17	306,414.87
Accrued income.....	3,614,647.47	1,505,701.05	2,167,878.40	1,182,097.36
Other receivables.....	1,086,082.74	2,779,873.65	897,176.65	938,200.46
Total	18,364,613.38	19,270,407.05	15,569,042.81	19,961,013.60

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Sales receivables	998,833,654.16	1,078,142,464.19	581,355,404.03	528,144,088.08
Receivables from group companies.....	-	-	-	-
Sales receivables	-	-	25,933,415.48	13,796,199.81
Loan receivables	-	-	188,038,543.23	586,267,522.40
Accrued income	-	-	118,531,491.68	164,573,880.86
Receivables from group companies, total	-	-	332,503,450.40	764,637,603.07
Receivables from associated companies				
Sales receivables	1,982,559.16	10,956,510.89	-	10,956,510.89
Loan receivables	-	10,233,405.00	-	10,233,405.00
Accrued income	-	574,932.19	-	574,932.19
Receivables from associated companies, total	1,982,559.16	21,764,848.08	-	21,764,848.08
Loan receivables.....	23,565,107.93	23,505,569.01	23,565,107.93	22,971,922.80
Accrued income.....	270,990,120.83	112,882,407.72	162,525,843.65	88,621,839.08
Other receivables.....	81,423,623.02	208,407,127.54	67,261,333.45	70,336,888.49
Total	1,376,795,065.10	1,444,702,416.54	1,167,211,139.47	1,496,477,189.59

RELEVANT ACCRUED INCOME (excluding receivables from group and associated companies)

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Accrued expenses.....	2,321,539.02	513,522.38	1,277,232.54	467,143.71
Tax receivables	426,750.16	117,073.34	154,687.39	-
Social security receivables.....	321,441.70	172,054.58	305,729.73	124,694.55
Others.....	544,915.87	703,050.75	430,228.74	590,259.10
Total	3,614,646.75	1,505,701.05	2,167,878.40	1,182,097.36

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Accrued expenses	174,045,780.33	38,498,772.83	95,754,123.52	35,021,763.94
Tax receivables	31,993,459.50	8,776,988.30	11,596,913.63	–
Social security receivables	24,098,484.25	12,898,931.86	22,920,557.86	9,348,350.41
Others	40,852,342.77	52,707,714.73	32,254,248.64	44,251,724.73
Total	<u>270,990,066.85</u>	<u>112,882,407.72</u>	<u>162,525,843.65</u>	<u>88,621,839.08</u>

18. EQUITY

	Group	Group	Parent	Parent
Eur	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Share capital at the beginning of the financial year	9,097,395.00	8,647,395.00	9,097,395.00	8,647,395.00
Directed share issue	2,861,751.00	450,000.00	2,861,751.00	450,000.00
Share capital at the end of financial year	<u>11,959,146.00</u>	<u>9,097,395.00</u>	<u>11,959,146.00</u>	<u>9,097,395.00</u>
Reserve for invested non-restricted equity at the beginning of the financial year	27,779,053.14	25,229,053.14	27,779,053.14	25,229,053.14
Directed share issue	11,616,121.50	2,550,000.00	11,616,121.50	2,550,000.00
Reserve for invested non-restricted equity at the end of the financial year	<u>39,395,174.64</u>	<u>27,779,053.14</u>	<u>39,395,174.64</u>	<u>27,779,053.14</u>
Profit from previous financial years at the beginning of the financial year	20,016,653.96	20,746,868.20	8,274,437.61	9,033,909.80
Paid Dividends	(1,046,732.75)	(2,272,532.00)	(1,046,732.75)	(2,272,532.00)
Change in translation difference	(128,709.55)	(559,819.22)	–	–
Reclassifications for previous financial years	6,297.32	–	–	–
Profit from previous financial years at the end of financial year	<u>18,847,508.98</u>	<u>17,914,516.98</u>	<u>7,227,704.86</u>	<u>6,761,377.80</u>
Profit for the period	<u>(7,210,686.52)</u>	<u>2,102,136.98</u>	<u>(3,707,700.12)</u>	<u>1,513,059.81</u>
Total	<u>62,991,143.10</u>	<u>56,893,102.10</u>	<u>54,874,325.38</u>	<u>45,150,885.75</u>

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Share capital at the beginning of the financial year	682,031,703.15	648,295,203.15	682,031,703.15	648,295,203.15
Directed share issue	214,545,472.47	33,736,500.00	214,545,472.47	33,736,500.00
Share issue based on option subscription rights	–	–	–	–
Share capital at the end of financial year	<u>896,577,175.62</u>	<u>682,031,703.15</u>	<u>896,577,175.62</u>	<u>682,031,703.15</u>
Reserve for invested non-restricted equity at the beginning of the financial year	2,082,595,613.91	1,891,422,113.91	2,082,595,613.91	1,891,422,113.91
Directed share issue	870,860,628.86	191,173,500.00	870,860,628.86	191,173,500.00
Share issue based on option subscription rights	–	–	–	–
Reserve for invested non-restricted equity at the end of the financial year	<u>2,953,456,242.76</u>	<u>2,082,595,613.91</u>	<u>2,953,456,242.76</u>	<u>2,082,595,613.91</u>
Profit from previous financial years at the beginning of the financial year	1,500,648,547.38	1,555,392,708.95	620,334,587.62	677,272,217.71
Paid Dividends	(78,473,554.27)	(170,371,724.04)	(78,473,554.27)	(170,371,724.04)
Change in translation difference	(9,649,354.96)	(41,969,646.92)	–	–
Redemption of own shares	–	–	–	–
Reclassifications for previous financial years	472,110.08	–	–	–
Profit from previous financial years at the end of financial year	<u>1,412,997,748.23</u>	<u>1,343,051,337.99</u>	<u>541,861,033.35</u>	<u>506,900,493.67</u>
Profit for the period	<u>(540,585,168.48)</u>	<u>157,597,209.39</u>	<u>(277,966,278.00)</u>	<u>113,434,093.96</u>
Total	<u>4,722,445,998.13</u>	<u>4,265,275,864.44</u>	<u>4,113,928,173.74</u>	<u>3,384,961,904.68</u>

CALCULATION FOR DISTRIBUTABLE FUNDS

	Parent	Parent
Eur	31.3.2016	30.9.2014
Reserve for invested non-restricted equity	39,395,174.64	27,779,053.14
Profit from the previous financial years	7,227,704.86	6,761,377.80
+Profit for the period	(3,707,700.12)	1,513,059.81
Total	<u>42,915,179.38</u>	<u>36,053,490.75</u>

*Appropriations: The share of accumulated depreciations presented in equity

Rs.	31.3.2016	30.9.2014
Reserve for invested non-restricted equity	2,953,456,242.76	2,082,595,613.91
Profit from the previous financial years	541,861,033.35	506,900,493.67
+Profit for the period	(277,966,278.00)	113,434,093.96
Total	<u>3,217,350,998.12</u>	<u>2,702,930,201.53</u>

*Appropriations: The share of accumulated depreciations presented in equity

19. GROUP RESERVE

Eur	Group	Group
	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Group reserve at the beginning of the financial year	778,217.88	1,636,450.72
Additions	-	-
Deductions	-	(45,340.81)
Accumulated revenue recognition at the end of the financial year	(778,217.88)	(812,892.03)
Group reserve at the end of the financial year	<u>(-)</u>	<u>778,217.88</u>

Rs.	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014
Group reserve at the beginning of the financial year	58,342,994.34	122,684,710.35
Additions	-	-
Deductions	-	(3,399,200.53)
Accumulated revenue recognition at the end of the financial year	(58,342,994.46)	(60,942,515.49)
Group reserve at the end of the financial year	<u>(0.12)</u>	<u>58,342,994.34</u>

20. DEFERRED TAX RECEIVABLES AND LIABILITIES

Eur	Group	Group	Parent	Parent
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Deferred tax receivables from accrual and temporary differences	1,335,277.86	866,761.86	-	-
Total	<u>1,335,277.86</u>	<u>866,761.86</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities from accrual and temporary differences and appropriations	440,390.09	617,534.51	-	-
Total	<u>440,390.09</u>	<u>617,534.51</u>	<u>-</u>	<u>-</u>

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Deferred tax receivables from accrual and temporary differences	100,105,781.16	64,981,136.64	-	-
Total	<u>100,105,781.16</u>	<u>64,981,136.64</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities from accrual and temporary differences and appropriations	33,016,045.05	46,296,562.21	-	-
Total	<u>33,016,045.05</u>	<u>46,296,562.21</u>	<u>-</u>	<u>-</u>

21. LONG-TERM LIABILITIES AND CAPITAL LOANS

Eur	Group	Group	Parent	Parent
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	24,329,264.01	22,129,050.81	17,303,432.00	14,401,083.72
Pension loans	2,000,000.00	1,400,000.00	2,000,000.00	1,400,000.00
Other long-term loans	310,492.62	2,195,554.01	282,063.59	2,100,157.30
Loans from group companies.....	-	-	7,283,499.02	8,653,355.91
Total	<u>26,639,756.63</u>	<u>25,724,604.82</u>	<u>26,868,994.61</u>	<u>26,554,596.93</u>

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	1,823,964,922.83	1,659,014,939.23	1,297,238,297.04	1,079,649,246.49
Pension loans	149,940,000.00	104,958,000.00	149,940,000.00	104,958,000.00
Other long-term loans	23,277,631.72	164,600,684.13	21,146,307.34	157,448,792.78
Loans from group companies.....	-	-	546,043,921.53	648,742,092.57
Total	<u>1,997,182,554.55</u>	<u>1,928,573,623.36</u>	<u>2,014,368,525.91</u>	<u>1,990,798,131.84</u>

LIABILITIES MATURING LATER THAN FIVE YEARS

Eur	Group		Parent	
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	5,983,335.00	4,650,000.00	1,733,335.00	-
Total	5,983,335.00	4,650,000.00	1,733,335.00	-
Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	448,570,624.95	348,610,500.00	129,948,124.95	-
Total	448,570,624.95	348,610,500.00	129,948,124.95	-

22. SHORT-TERM LIABILITIES

Eur	Group		Parent	
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	7,368,392.30	16,950,634.48	6,558,333.00	16,118,902.00
Pension loans	800,000.00	400,000.00	800,000.00	400,000.00
Capital loans	-	4,000,000.00	-	4,000,000.00
Received advance payments	10,199,912.39	10,094,356.52	10,176,702.10	10,092,540.10
Accounts payable.....	5,540,206.84	5,340,495.15	3,888,389.28	4,364,030.75
Loans from group companies				
Accounts payable.....	-	-	169,300.81	10,068.52
Other loans	-	-	613,886.91	5,366,676.13
Accrued liabilities.....	-	-	151,098.80	68,745.35
Total	-	-	934,286.52	5,445,490.00
Other loans	4,507,514.70	4,375,438.80	3,438,661.78	3,274,141.87
Accrued liabilities.....	15,557,024.62	11,336,556.54	11,490,512.64	8,758,162.44
Short-term liabilities, total	43,973,050.85	52,497,481.49	37,286,885.32	52,453,267.16
Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	552,408,370.73	1,270,789,066.97	491,678,225.01	1,208,434,082.94
Pension loans	59,976,000.00	29,988,000.00	59,976,000.00	29,988,000.00
Capital loans	-	299,880,000.00	-	299,880,000.00
Received advance payments	764,687,431.88	756,773,908.30	762,947,356.44	756,637,731.30
Accounts payable.....	415,349,306.79	400,376,921.40	291,512,544.32	327,171,385.33
Loans from group companies				
Saadut ennakot.....	-	-	-	-
Accounts payable.....	-	-	12,692,481.73	754,836.94
Other loans	-	-	46,023,101.64	402,339,709.47
Accrued liabilities.....	-	-	11,327,877.04	5,153,838.89
Total	-	-	70,043,460.40	408,248,385.30
Other loans	337,928,377.06	328,026,646.84	257,796,473.65	245,462,415.99
Accrued liabilities.....	1,166,310,135.76	849,901,643.80	861,443,732.62	656,599,438.13
Short-term liabilities, total	3,296,659,622.22	3,935,736,187.31	2,795,397,792.44	3,932,421,438.99

RELEVANT ACCRUED LIABILITIES (excluding receivables from group and associated companies)

Eur	Group		Parent	
	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Holiday pay and other salary related debts.....	4,348,686.70	2,945,808.30	3,718,675.90	2,831,838.19
Social expense payables	1,153,015.21	1,687,447.73	959,623.18	1,336,726.80
Accrued interests.....	110,835.67	260,454.98	74,218.03	210,845.06
Sales commissions.....	860,648.15	605,731.35	575,181.30	605,731.35
Taxes	55,554.31	717,564.90	8,440.62	338,750.26
Other	9,028,284.58	5,119,549.28	6,154,373.61	3,434,270.78
Total	15,557,024.62	11,336,556.54	11,490,512.64	8,758,162.44

HOLIDAY CLUB RESORTS OY

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Holiday pay and other salary related debts.....	326,021,041.90	220,847,248.08	278,789,132.22	212,302,909.10
Social expense payables.....	86,441,550.29	126,507,956.32	71,942,949.80	100,214,408.20
Accrued interests.....	8,309,350.18	19,526,309.85	5,564,125.71	15,807,054.15
Sales commissions.....	64,522,791.81	45,411,679.31	43,121,342.06	45,411,679.31
Taxes.....	4,164,906.62	53,795,840.55	632,793.28	25,396,106.99
Other.....	676,850,494.96	383,812,609.69	461,393,389.54	257,467,280.38
Total	1,166,310,135.76	849,901,643.80	861,443,732.62	656,599,438.13

OTHER NOTES TO THE FINANCIAL STATEMENTS

COMMITMENTS AND CONTINGENT LIABILITIES

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Loans from financial institutions.....	30,847,497.17	40,879,685.29	22,461,765.00	32,319,985.72
Total	30,847,497.17	40,879,685.29	22,461,765.00	32,319,985.72
Property under mortgages.....	13,433,590.24	14,817,325.75	933,590.24	500,000.00
Mortgage on company assets.....	34,445,637.81	34,445,637.81	34,445,637.81	34,445,637.81
Pledged assets.....	40,354,756.37	46,797,792.62	40,354,756.37	40,592,501.16
Total	88,233,984.42	96,060,756.18	75,733,984.42	75,538,138.97

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Loans from financial institutions.....	2,312,636,862.93	3,064,750,006.19	1,683,958,522.05	2,423,029,329.43
Total	2,312,636,862.93	3,064,750,006.19	1,683,958,522.05	2,423,029,329.43
Property under mortgages.....	1,007,116,259.96	1,110,854,911.70	69,991,259.96	37,485,000.00
Mortgage on company assets.....	2,582,389,466.62	2,582,389,466.62	2,582,389,466.62	2,582,389,466.62
Pledged assets.....	3,025,396,085.06	3,508,430,512.72	3,025,396,085.06	3,043,219,811.97
Total	6,614,901,811.63	7,201,674,891.04	5,677,776,811.63	5,663,094,278.58

OTHER COLLATERAL FOR OWN COMMITMENTS

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Deposits, rent guarantees.....	1,036,957.64	1,958,000.00	1,036,957.64	1,958,000.00
Total	1,036,957.64	1,958,000.00	1,036,957.64	1,958,000.00

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Deposits, rent guarantees.....	77,740,714.27	146,791,260.00	77,740,714.27	146,791,260.00
Total	77,740,714.27	146,791,260.00	77,740,714.27	146,791,260.00

COLLATERAL FOR GROUP COMPANIES' LIABILITIES

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Property under mortgages.....	880,000.00	-	-	-
Mortgage on company assets.....	1,625,963.38	-	-	-
Guarantees given.....	6,450,000.00	1,850,000.00	6,450,000.00	1,950,000.00
Pledged assets.....	4,015,148.87	6,705,291.46	-	-
Property under mortgages.....	433,590.24	437,325.75	-	-
Total	13,404,702.49	8,992,617.21	6,450,000.00	1,950,000.00

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Property under mortgages.....	65,973,600.00	-	-	-
Mortgage on company assets.....	121,898,474.85	-	-	-
Guarantees given.....	483,556,500.00	138,694,500.00	483,556,500.00	146,191,500.00
Pledged assets.....	301,015,710.78	502,695,700.76	-	-
Property under mortgages.....	32,506,259.96	32,786,311.48	-	-
Total	1,004,950,545.59	674,176,512.23	483,556,500.00	146,191,500.00

CONTINGENT LIABILITIES AND OTHER COMMITMENTS**LEASING CONTRACT COMMITMENTS**

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Due during the next financial year.....	1,571,878.11	954,166.18	1,467,193.75	928,891.79
Due thereafter.....	816,712.60	1,133,305.83	727,995.04	1,089,575.24
Total	2,388,590.71	2,087,472.01	2,195,188.79	2,018,467.03

Rs.	31.3.2016	31.9.2014	31.3.2016	31.9.2016
Due during the next financial year.....	117,843,702.23	71,533,838.33	109,995,515.44	69,639,017.50
Due thereafter.....	61,228,943.36	84,963,938.26	54,577,788.15	81,685,455.74
Total	179,072,645.59	156,497,776.59	164,573,303.59	151,324,473.24

RENTAL COMMITMENTS

Eur	Group 31.3.2016	Group 30.9.2014	Parent 31.3.2016	Parent 30.9.2014
Due during the next financial year.....	19,073,860.49	9,956,585.81	15,668,944.22	9,783,649.10
Due thereafter.....	209,452,481.83	76,447,522.54	180,914,516.57	75,259,357.20
Total	228,526,342.32	86,404,108.35	196,583,460.79	85,043,006.30

Rs.	31.3.2016	30.9.2014	31.3.2016	30.9.2014
Due during the next financial year.....	1,429,967,320.98	746,445,238.51	1,174,700,748.37	733,480,173.37
Due thereafter.....	15,702,652,562.63	5,731,270,764.82	13,563,161,307.42	5,642,194,009.28
Total	17,132,619,883.62	6,477,716,003.34	14,737,862,055.79	6,375,674,182.65

Holiday Club Resorts Oy has committed to purchase back the shares of the company named Kiinteistö Oy Iso-Ylläksentie 42 from the mutual insurance company Ilmarinen no later than 31.3.2022. The buyback price on 31.3.2022 has been agreed to be 4,750,000 euros (Rs. 356,107,500).

Related to the above mentioned agreement Holiday Club Resorts Oy sold the business operations of Ylläs Saaga to Lapland Hotels Oy in October 2014. The lessor, mutual insurance company Ilmarinen, required that Holiday Club Resorts Oy stays in joint liability for fulfillment of the obligations of rental and buyback agreements. If the lessor makes claims towards Holiday Club Resorts Oy due to this obligation, has Holiday Club Resorts Oy a retroactive right of recourse from Lapland Hotels Oy and its parent company North European Invest Oy.

Holiday Club Resorts Oy gave 5.4.2011 a surety for Fastighets Aktiebolaget Åre Properties (Capman) to ensure the fulfillment of Holiday Club Spa Hotels AB's lease obligations regarding Holiday Club Åre spa hotel. Holiday Club Spa Hotels AB sold the business operations of Holiday Club Åre to Holiday Club Sport and Spa Hotels AB by a deed signed on 12.11.2015. One of the terms in order to fulfill the sale was to transfer the lease agreement to Holiday Club Sport and Spa Hotels AB. In order to transfer the lease agreement Holiday Club Resorts Oy gave a commitment to Fastighets Aktiebolaget Åre Properties by which the surety given on 5.4.2011 was transferred to apply to the obligations of the new lessee Holiday Club Sport And Spa Hotels AB. The transfer was executed by a confirmation given on 18.11.2015. The surety equates the lease obligation of 12 months.

In the course of the asset sale it was agreed that the commitment given by Lapland Invest AB, part of the same group of companies as Holiday Club Spa Hotels AB, towards Holiday Club Resorts Oy will cease.

In the course of the Holiday Club Åre asset deal the commitment given by Holiday Club Spa Hotels AB to purchase a multi-purpose arena from Åre Kongress AB in 2023, if Åre Kongress AB has not sold the arena before that, transferred to Holiday Club Sport And Spa Hotels AB. Holiday Club Resorts Oy and Holiday Club Sport And Spa Hotels AB are jointly responsible for the sales price of the arena (1.7 million euros (Rs. 127,449,000)) towards Åre Kongress AB.

OTHER COMMITMENTS

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Pohjola Pankki Oyj (Pohjola Financing) the following:

The customer's inability to pay, or if the customer otherwise is in breach with contract, gives Pohjola Financing the right to call in the financing or to terminate the financing contract. If Pohjola Financing claims, Holiday Club Resorts Oy has committed to redeem the financing with the amount that corresponds 50% of the current financing agreement balance between customer and Pohjola Financing related to the purchase of the timeshare week. Redemption price may be at maximum 50% of the original purchase price of the timeshare week. The financing agreement between Holiday Club Resorts Oy and Pohjola Pankki Oyj has been amended on 2.11.2014 and by this amendment the 50% redemption in question has been renounced with regard to new sales. This amendment does not apply to those timeshares that Holiday Club Resorts Oy finances on its own risk and of which Holiday Club Resorts Oy has in 2012 signed a 100% buyback commitment.

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Danske Bank Oyj (Sampo Financing) the following:

If Sampo Financing terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies: If Sampo Financing claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement. The purchase price is 30% of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue. For the timeshares Holiday Club Resorts Oy has financed on its own risk, 100% buyback commitment is applied.

According to the agreement made between Holiday Club Resorts Oy, Sunborn Oy and Sunborn Saga Oy, Holiday Club Resorts Oy is obliged to sell annually 150 Sunborn timeshares. If Holiday Club Resorts Oy doesn't achieve its yearly target, Holiday Club is obliged to purchase the missing amount of timeshares with a price related to the agreement until 30.9.2018

Holiday Club Resorts Oy has given completion commitments to Fennia and Veritas in relation to the land areas sold to them. If the completion commitments are not met, Fennia and Veritas have the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been build on the plots.

Group company Kiinteistö Oy Himoksen Tähti 2 has given the city of Jämsä completion commitments regarding land areas. If the company fails to meet the completion commitments, the parent company has committed to pay the city of Jämsä a contractual penalty of 127,408.60 euros (Rs. 9,551,822.74).

Group company Holiday Club Golf Saimaa Oy is obliged to annually review the tax deductions made from the real estate investment for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year time period. The maximum amount of the obligation was 800,416.86 euros (Rs. 60,007,251.99) on 31.3.2016.

Group company Kiinteistö Oy Rauhan Liikekiinteistöt 1 is obliged to annually review the tax deductions made from the real estate investment for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year time period. The maximum amount of the obligation was 2,377,090.80 euros (Rs. 178,210,497.28) on 31.3.2016.

Sallan Tunturipalvelut Oy (merged into Holiday Club Resorts Oy on 31.3.2016) and the municipality of Salla have agreed that Holiday Club Resorts will make at least four million euros (Rs 299,880,000) worth of investments to Salla by the end of year 2018. If the investments of at least four million euros (Rs 299,880,000) are made, the municipality of Salla has an obligation to buy the shares of Kiinteistö Oy Sallan kylpylä -named company with the purchase price equating the equity investment made in the Kiinteistö Oy Sallan kylpylä. If the made investments are less than two millions (Rs 149,940,000), has Holiday Club Resorts Oy an obligation to buy the shares of Kiinteistö Oy Sallan kylpylä owned by the municipality with the purchase price equating the equity investment. These purchase obligations will be executed only if the selling party requires the purchase.

Holiday Club Resorts Oy has committed to a framework agreement with the city of Kuusamo according to which 10 million euros (Rs. 749,700,000) worth of investments will be made.

Holiday Club Sweden AB has regarding Holiday Club Sport And Spa Hotels AB committed to a shareholders' agreement with terms of put and call options by which Holiday Club Sweden AB could be obliged to purchase other shareholders' shares in the companies. These options may actualize no sooner than 2021.

Holiday Club Resorts Oy has committed to purchase back the shares of Kiinteistö Oy Salla Star -named company from the buyer no later than 17.9.2022 with the buyback price of 382,000 euros (Rs. 28,638,540).

Group company Saimaa Gardens Arena Oy has leased a multi-purpose hall called Rauhan Monitoimihalli from the city of Lappeenranta. Holiday Club Resorts Oy guarantees the lessees obligations towards the city of Lappeenranta for the duration of the lease contract.

Holiday Club Resorts Oy and Skanska Talonrakennus Oy signed a cooperation agreement on 31.3.2016. By this agreement Holiday Club Resorts Oy committed to purchase the shares of Kiinteistö Oy Kelotähti I -named company no later than 1.5.2018. The debt-free purchase price for the shares is 3.1 million euros (Rs. 232,407,000). Furthermore, Holiday Club Resorts Oy committed to purchase the shares of Kiinteistö Oy Kelotähti II -named company. These shares give the right to control an unfinished building. If certain requirements are fulfilled, Kiinteistö Oy Kelotähti II will finish the construction of the building. In this case Holiday Club Resorts Oy will buy the shares with a purchase price of 8,666.46 euros (Rs. 649,724.51) and Kiinteistö Oy Kelotähti will be liable for the contract price towards Skanska Talonrakennus Oy (5 million euros (Rs. 374,850,000)). Furthermore, Holiday Club Resorts Oy sold Skanska Talonrakennus Oy the shares of companies Kiinteistö Oy Jalomella, Kiinteistö Oy Ulkuvuoma, Kiinteistö Oy Outapalas and Kiinteistö Oy Lovinoita. The purchase price of the shares was 1.2 million euros (Rs. 89,964,000). Holiday Club Resorts Oy has the obligation to purchase these shares back for the same price.

Holiday Club Resorts Oy has committed to purchase the shares of Kiinteistö Oy HC Villas Katinkulta Spa 1 Lodge -named company from their current owners. Half of the shares (50%) will be purchased by 31.12.2016 and the rest (50%) by 30.4.2017. The sales price of the shares is 850,000 euros (Rs. 63,724,500) total.

Holiday Club Resorts Oy has committed to purchase the shares of Kiinteistö Oy Saimaa Villas Spa Lodge 2 -named company from their current owners. 25% of the shares were purchased on 8.4.2016 and the rest will be purchased by 15.10.2016. The sales price of the shares is 1 million euros (Rs. 74,970,000) total.

Holiday Club Resorts Oy has guaranteed a bank loan of Kiinteistö Oy Rauhan Liikekiinteistöt 1, a 100% owned subsidiary. The remaining loan capital is 5.75 million euros (Rs. 431,077,500).

Holiday Club Sweden AB has pledged a floating charge as a security for Holiday Club Sport and Spa Hotels AB's loan. The loan capital is 1,300,770.71 euros (Rs. 97,518,779.88). Holiday Club Sweden AB owns 51% of the Holiday Club Sport and Spa Hotels AB's shares.

Holiday Club Resorts Oy has given a commitment to purchase its own shares from its personnel.

DATE AND SIGNATURES

Signatures of the financial statements and annual report

Helsinki, May 9, 2016

Arunkumar Nanda
Chairman of the Board

Teuvo Salminen
Member of the Board

Antti Heikinheimo
Member of the Board

S. Krishnan
Member of the Board

Sridar Iyengar
Member of the Board

Vesa Tengman
CEO

AUDITOR'S NOTE

Auditor's report has been issued today.

Eero Suomela
APA

ADDITIONAL INFORMATION:
PROFIT AND LOSS STATEMENT FOR THE GROUP

	Eur	Rs	Eur	Rs
	1.10.2014- 31.8.2015	1.10.2014- 31.8.2015	1.9.2015- 31.3.2016	1.9.2015- 31.3.2016
TURNOVER	102,454,758.76	7,681,033,264.24	80,928,245.71	6,067,190,580.88
Other operating income	4,862,283.95	364,525,427.73	8,013,561.09	600,776,674.92
Share of Associated Company Profit (Loss)	(70,481.10)	(5,283,968.07)	(38,534.28)	(2,888,914.97)
Materials and services	(35,253,990.18)	(2,642,991,643.79)	(27,280,171.95)	(2,045,194,491.09)
Personnel expenses	(30,682,072.21)	(2,300,234,953.58)	(22,455,844.06)	(1,683,514,629.18)
Depreciations and impairments	(8,215,410.34)	(615,909,313.19)	(3,331,286.98)	(249,746,584.89)
Other operating expenses	(40,810,121.54)	(3,059,534,811.85)	(31,117,971.87)	(2,332,914,351.09)
PROFIT (LOSS)	(7,715,032.66)	(578,395,998.52)	4,717,997.66	353,708,284.57
Financial income and expenses	(3,599,144.51)	(269,827,863.91)	(701,030.89)	(52,556,285.82)
PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS	(11,314,177.17)	(848,223,862.43)	4,016,966.77	301,151,998.75
Extraordinary items	(310,177.19)	(23,253,983.93)	-	-
PROFIT (LOSS) BEFORE TAXES	(11,624,354.36)	(871,477,846.37)	4,016,966.77	301,151,998.75
Income taxes	1,245,381.50	93,366,251.06	(639,675.88)	(47,956,500.42)
Minority Share			(209,004.56)	(15,669,071.49)
PROFIT (LOSS) FOR THE FINANCIAL YEAR	(10,378,972.86)	(778,111,595.31)	3,168,286.34	237,526,426.83

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of SEK 61,994 thousand (INR 506,493 thousand) and made loss of SEK 8,284 thousand (INR 67,681 thousand).

Dividends

The Board of Directors proposes a dividends of SEK 138,523 thousand (INR 1,131,731 thousand) for the financial period ended March 31, 2016.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Vesa Tengman
- 2) Tapio Anttila
- 3) Calvin Lucock

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Holiday Club Sweden AB

Vesa Tengman
Director

Tapio Anttila
Director

Calvin Lucock
Director

Place: Östersund
Dated: April 21, 2016

AUDITOR'S REPORT

To the annual meeting of the shareholders of Holiday Club Sweden AB, corporate identity number 556683-0385.

Report on the annual accounts

We have audited the annual accounts of Holiday Club Sweden AB for the financial year 2014.10.01-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sweden AB as of March 31, 2016 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Holiday Club Sweden AB for the year the financial year 2014.10.01-2016.03.31.

Responsibility of the Board of Directors and Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
Authorized Accountant

Östersund, April 21, 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The purpose of Holiday Club Sweden AB, Corporate Identity Number 556683-0385, is to fulfil parent company Holiday Club Resorts (HCR) OY's expansion plans in Sweden through the operation of hotel and experience facilities and time share activities.

Holiday Club currently only operates timeshare activities.

The hotel are operated by Holiday Club Sport and Spa Hotels AB.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on March 31, 2016.

Significant events during and after the end of the financial year

The company has changed its accounting year-end to March 31, and thus extended its accounting year from October 1, 2014 to March 31, 2016.

Holiday Club Sweden AB acquired 51 per cent of the new hotel operating company Holiday Club Sport and Spa Hotels AB on December 1, 2015.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Multi-Year Review kSEK

	2014/16	2013/14	2012/13	2011/12
	kSEK	kSEK	kSEK	kSEK
Net sales	54,933	18,903	27,315	29,647
Profit/loss after financial items	(8,284)	(6,976)	31,083	(1,524)
Equity/assets ratio ...	51.0%	51.6%	54.9%	49.5%

Multi-Year Review kINR

	2014/16	2013/14	2012/13	2011/12
	kINR	kINR	kINR	kINR
Net sales	448,802	154,438	3,666,709	1,261,757
Profit/loss after financial items	(67,681)	(56,993)	(552,957)	(465,632)
Equity/assets ratio	51.0%	51.6%	54.9%	49.5%

Proposed Appropriation of Profits

	kSEK	kINR
The following profits are at the disposal of the Annual General Meeting:		
Profit/loss brought forward	146,807	1,199,412
Profit/Loss for the year	(8,284)	(67,681)
Total	138,523	1,131,731

The Board of Directors proposes that the available profits be appropriated as follows:

Dividend to shareholders	138,523	1,131,731
Total	138,523	1,131,731

INCOME STATEMENT

	Note	1 Oct 2014 – 31 Mar 2016 kSEK	1 Oct 2013 – 30 Sept 2014 kSEK	1 Oct 2014 – 31 Mar 2016 kINR	1 Oct 2013 – 30 Sept 2014 kINR
Operating income, changes in inventory, etc.					
Net sales		54,933	18,903	448,802	154,438
Other operating income	2	7,061	4,514	57,692	36,882
Total operating income, changes in inventory, etc.		61,994	23,417	506,493	191,320
Operating expenses					
Raw materials and consumables.....		(35,155)	(9,364)	(287,215)	(76,502)
Other external expenses	3	(19,990)	(13,054)	(163,315)	(106,651)
Personnel costs	4	(17,192)	(8,685)	(140,456)	(70,959)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(166)	(111)	(1,357)	(905)
Total operating expenses.....		(72,502)	(31,214)	(592,343)	(255,017)
Operating profit/loss.....		(10,508)	(7,797)	(85,850)	(63,698)
Financial items					
Share of profits from interests in associates.....		–	(1,043)	–	(8,521)
Other interest income and similar profit/loss items.....	5	7,512	5,723	61,374	46,759
Interest and similar expenses	6	(5,288)	(3,860)	(43,206)	(31,534)
Total financial items.....		2,224	821	18,168	6,705
Profit/loss after financial items		(8,284)	(6,976)	(67,681)	(56,993)
Appropriations					
Changes in tax allocation reserves.....		–	–	–	–
Total appropriations.....		–	–	–	–
Profit/Loss before tax		(8,284)	(6,976)	(67,681)	(56,993)
Taxes					
Tax on profit for the year.....		–	–	–	–
Profit/Loss for the year.....		(8,284)	(6,976)	(67,681)	(56,993)

BALANCE SHEET

	Note	31 Mar 2016 kSEK	30 Sept 2014 kSEK	31 Mar 2016 kINR	30 Sept 2014 kINR
Assets					
Non-current assets					
<i>Property, plant and equipment</i>					
Land and buildings.....	7	12,365	12,531	101,024	102,381
Total property, plant and equipment		12,365	12,531	101,024	102,381
<i>Financial non-current assets</i>					
Participations in Group companies.....	8	10,731	781	87,675	6,383
Receivables from Group companies	9	179,503	195,333	1,466,536	1,595,869
Other securities held as non-current assets		–	516	–	4,216
Other non-current receivables.....	10	331	1,522	2,701	12,435
Total financial assets		190,564	198,152	1,556,912	1,618,904
Total non-current assets		202,930	210,684	1,657,935	1,721,285
Current assets					
<i>Inventories etc.</i>					
Raw materials and consumables.....		48,405	54,440	395,468	444,772
Work on contract.....	11	–	4,393	–	35,891
Total inventories		48,405	58,833	395,468	480,663
<i>Current receivables</i>					
Trade receivables.....		4,714	1,165	38,510	9,514
Receivables from Group companies		11,391	7,570	93,065	61,848
Other receivables.....		331	5,188	2,706	42,389
Prepaid expenses and accrued income.....		766	203	6,255	1,661
Total current receivables.....		17,201	14,126	140,535	115,412
<i>Cash and bank balances.....</i>					
Cash and bank balances		3,390	1,202	27,695	9,820
Total cash and bank balances.....		3,390	1,202	27,695	9,820
Total current assets		68,996	74,161	168,230	605,895
Total assets.....		271,926	284,844	168,230	2,327,180

BALANCE SHEET

	Note	31 Mar 2016 kSEK	30 Sept 2014 kSEK	31 Mar 2016 kINR	30 Sept 2014 kINR
Equity and liabilities					
Equity	12				
<i>Restricted equity</i>					
Share capital, 1000 shares.....		100	100	817	817
<i>Total restricted equity</i>		100	100	817	817
<i>Non-restricted equity</i>					
Profit/loss brought forward.....		146,807	153,783	1,199,412	1,256,405
Profit/Loss for the year.....		(8,284)	(6,976)	(67,681)	(56,993)
<i>Total Non-restricted equity</i>		138,523	146,807	1,131,731	1,199,412
Total equity		138,623	146,907	1,132,548	1,200,229
Non-current liabilities					
Liabilities to Group companies.....	13	122,305	127,355	999,235	1,040,490
Other liabilities.....		2,007	3,344	16,394	27,324
Total non-current liabilities		124,312	130,699	1,015,629	1,067,814
Current liabilities					
Advances from customers.....		–	20	–	163
Trade creditors.....		361	950	2,945	7,760
Liabilities to Group companies.....		3,059	3,769	24,988	30,790
Other liabilities.....		1,358	510	11,097	4,164
Accrued expenses and deferred income.....		4,214	1,990	34,425	16,259
Total current liabilities		8,991	7,238	73,456	59,136
Total equity and liabilities		271,926	284,844	2,221,633	2,327,180

BALANCE SHEET

	Note	31 Mar 2016 kSEK	30 Sept 2014 kSEK	31 Mar 2016 kINR	30 Sept 2014 kINR
Pledged assets and contingent liabilities					
Pledged assets					
<i>Pledges and comparable collateral posted for own liabilities and provisions</i>					
Mortgages		4,000	4,000	32,680	32,680
Other pledged assets		48,405	54,411	395,468	444,535
Total pledged assets		52,405	58,411	428,148	477,215

SUPPLEMENTARY DISCLOSURES

Note 1: Accounting and Valuation Principles

The annual accounts have been prepared for the first time in accordance with BFNAR 2008:1 Annual Accounts of Small Limited Companies, which may mean that figures are not fully comparable with those for the preceding financial year.

Comparative figures have not been restated.

Service assignments and contract work

The Company's income from assignments undertaken on a fixed price basis is recognised according to the alternative rule.

Amortisation

Land and buildings 30 years

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2: Sales to Group companies

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
Percentage of sales to companies in Groups of which the Company is a subsidiary	3%	0%

Note 3: Purchases from Group companies

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
Percentage of purchases from companies in Groups of which the Company is a subsidiary	2%	0%

Income statement disclosures

Note 4: Personnel

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
Average number of employees, etc.		
Women	10	12
Men	15	7
Total	25	19

Salaries, other remuneration and social security contributions, including pension costs

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
	kSEK	kSEK	kINR	kINR
Salaries and other remuneration	12,654	6,363	103,380	51,984
Social security contributions	3,576	1,865	29,215	15,237
Pension costs	393	344	3,207	2,813
Total salaries, other remuneration, social security contributions and pension expenses	16,622	8,572	135,802	70,034

Board of Directors and Management by gender

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
Number of Board members on the balance sheet date		
Men	3	3
Total	3	3
Number of CEOs and other senior executives		
Men	1	1
Total	1	1

Severance pay

Agreements regarding severance pay have been entered into with the CEO, Deputy CEO and the other members of senior management amounting to six monthly salaries in the event of dismissal by the company.

Note 5: Other interest income and similar profit/loss items

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
	kSEK	kSEK	kINR	kINR
Of which from Group companies	7,438	5,599	60,765	45,743

Note 6: Interest expense and similar profit/loss items

	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014	1 Oct 2014 – 31 Mar 2016	1 Oct 2013 – 30 Sept 2014
	kSEK	kSEK	kINR	kINR
Of which from Group companies	5,136	3,840	41,958	31,373

Balance sheet disclosures

Note 7: Land and buildings

	31 Mar 2016	30 Sept 2014	31 Mar 2016	30 Sept 2014
	kSEK	kSEK	kINR	kINR
Opening cost of acquisition	13,323	13,323	108,846	108,846
Closing cost of acquisition	13,323	13,323	108,846	108,846
Opening depreciation/ amortisation	(791)	(681)	(6,465)	(5,560)
- Depreciation for the year	(166)	(111)	(1,357)	(905)
Closing depreciation	(957)	(791)	(7,822)	(6,465)
Carrying amount	12,365	12,531	101,024	102,381

Note 8: Participations in Group companies

	31 Mar 2016	30 Sept 2014	31 Mar 2016	30 Sept 2014
	kSEK	kSEK	kINR	kINR
Opening cost of acquisition	781	781	6,383	6,383
- Purchases	9,950	-	81,292	-
Carrying amount	10,731	781	87,675	6,383
Name	Equity	Net profit/loss	Equity	Net profit/loss
	kSEK	kSEK	kINR	kINR
Ownership Service AB 556676-0327 Åre	2,066	(45)	16,881	(370)
Åre Semesterby A AB 556651-1191 Åre	92	(1)	750	(6)
Åre Semesterby B AB 556651-1209 Åre	92	(1)	750	(6)
Åre Semesterby C AB 556651-1217 Åre	92	(1)	753	(6)
Åre Semesterby D AB 556651-1225 Åre	92	(1)	750	(6)
HC Canarias Sales & Marketing S.L B-76081611 Las Palmas	3,854	182	31,484	1,487
HC Canarias Investment S.L B-76081603 Las Palmas	1	1	5	10
HC Canarias Resort Management S.L B-76081629 Las Palmas	2,754	(274)	22,498	(2,235)
HC Sport and Spahotels AB 559032-5733 Åre	16,157	3,157	132,002	25,792
Åre Villa 1 AB 556996-2177 Åre	1,786	1,159	14,596	9,473
Åre Villa 2 AB 556996-2250 Åre	1,482	1,159	12,112	9,473
Total	28,467	5,337	232,578	43,607

Name	Number of shares	Share of equity, %	Carrying amount, 31 Mar 2016	Carrying amount, 30 Sept 2014
Ownership Service AB	1,000	100	100 kSEK 817 kINR	100 kSEK 817 kINR
Ownership Service AB	1,000	100	213 kSEK 1740 kINR	213 kSEK 1740 kINR
Åre Semesterby A AB	1,000	100	110 kSEK 899 kINR	110 kSEK 899 kINR
Åre Semesterby B AB	1,000	100	110 kSEK 899 kINR	110 kSEK 899 kINR
Åre Semesterby C AB	1,000	100	110 kSEK 899 kINR	110 kSEK 899 kINR
Åre Semesterby D AB	1,000	100	110 kSEK 899 kINR	110 kSEK 899 kINR
HC Canarias Sales & Marketing	1	100	9 kSEK 77 kINR	9 kSEK 77 kINR
HC Canarias Resort Management	1	100	9 kSEK 77 kINR	9 kSEK 77 kINR
HC Canarias Investment	1	100	9 kSEK 77 kINR	9 kSEK 77 kINR
Holiday Club Sport and Spa Hotels AB	510,000	51	9000 kSEK 73530 kINR	
Åre Villa 1 AB	50,000	100	627 kSEK 5126 kINR	
Åre Villa 2 AB	50,000	100	323 kSEK 2639 kINR	
			10731 kSEK 87675 kINR	781 kSEK 6383 kINR

Note 9: Receivables from Group companies

	31 Mar 2016	30 Sept 2014	31 Mar 2016	30 Sept 2014
	kSEK	kSEK	kINR	kINR
Opening cost of acquisition	195,333	179,116	1,595,869	1,463,380
– Deductible receivables	(15,830)	16,217	(129,333)	132,490
Carrying amount	179,503	195,333	1,466,536	1,595,869

Note 10: Other non-current receivables

	31 Mar 2016	30 Sept 2014	31 Mar 2016	30 Sept 2014
	kSEK	kSEK	kINR	kINR
Opening cost of acquisition	1,522	2,965	12,435	24,223
– Deductible receivables	(1,192)	(1,443)	(9,735)	(11,788)
Carrying amount	331	1,522	2,701	12,435

Note 11: Work on contract

	31 Mar 2016	30 Sept 2014	31 Mar 2016	30 Sept 2014
	kSEK	kSEK	kINR	kINR
Capitalized costs incurred	4,458	4,458	36,423	36,423
Regulated costs incurred	(4,458)	–	(36,423)	–
Work on contract	–	4,458	–	36,423

Note 12: Changes in equity

	Share capital	Retained earnings	Net profit/loss for the year	Total
Amount at beginning of year according to adopted balance sheet	100 kSEK 817 kINR	153783 kSEK 1256405 kINR	(6976) kSEK (56993) kINR	146907 kSEK 1200229 kINR
Appropriation of profits as resolved by the AGM		(6976) kSEK (56993) kINR	6976 kSEK 56993 kINR	
To be carried forward			(8284) kSEK (67681) kINR	(8284) kSEK (67681) kINR
Profit/Loss for the year			(8284) kSEK (67681) kINR	(8284) kSEK (67681) kINR
Amount at year-end	100 kSEK 817 kINR	146807 kSEK 1199412 kINR	(8284) kSEK (67681) kINR	138623 kSEK 1132548 kINR

Note 13: Non-current liabilities

	31 Mar 2016	30 Sept 2014	31 Mar 2016	30 Sept 2014
	kSEK	kSEK	kINR	kINR
Non-current liabilities maturing more than five years after the balance sheet date:				
Liabilities to Group companies	119,882	124,932	979,440	1,020,695
Total	119,882	124,932	979,440	1,020,695

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-04-21.
Åre 2016-04-21

Tapio Anttila
Board Member

Vesa Tengman
Chair of the Board

Calvin Lucock
Board Member

Madelene Lillsund Queckfeldt
CEO

Our auditor's report has been submitted 2016-04-21.
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
Authorized Public Accountant

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in renting business administration and management of tenant-owner associations.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of SEK 45,303 (INR 370,126).

Dividend

The Board of Directors proposes dividend of SEK 1,966,191 (INR 16,063,780) for the financial period ended March 31, 2016.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Tapio Anttila
- 2) Calvin Lucock
- 3) Madelene Lillsund Queckfeldt

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Ownership Service Sweden AB

Madelene Lillsund Queckfeldt Director	Tapio Antilla Director	Calvin Lucock Director
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Place: Åre
Dated: April 21, 2016

AUDITOR'S REPORT

To the annual meeting of the shareholders of Ownership Service Sweden AB, corporate identity number 556676-0327.

Report on the annual accounts

We have audited the annual accounts of Ownership Services Sweden AB for the financial year 2014.10.01-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Ownership Service Sweden AB as of March 31, 2016 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Ownership Service Sweden AB for the year the financial year 2014.10.01-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
Authorized Accountant

Place: Östersund
Date: April 21, 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The company's operations consist of administrative and technical management of tenant-owner associations.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on March 31, 2016.

Significant events during and after the end of the financial year

The company has changed its accounting year-end to March 31, and thus extended its accounting year from January 1, 2015 to March 31, 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

MULTI-YEAR REVIEW kSEK

	2015/16	2014	2013	2012
	SEK	SEK	SEK	SEK
Balance sheet total, kSEK.....	9,692	8,096	6,699	10,032
Equity/assets ratio...	21.3%	26.1%	32.1%	44.8%

MULTI-YEAR REVIEW kINR

	2015/16	2014	2013	2012
	INR	INR	INR	INR
Balance sheet total, kINR.....	79,181	66,144	54,731	81,961
Equity/assets ratio ...	21.3%	26.1%	32.1%	44.8%

PROPOSED APPROPRIATION OF PROFITS

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit bought forward.....	2,011,494	16,433,906
Profit/Loss for the year	(45,303)	(370,126)
Total	1,966,191	16,063,780

The Board of Directors proposes that the available profits be appropriated as follows:

Dividend to shareholders	1,966,191	16,063,780
Total	1,966,191	16,063,780

INCOME STATEMENT

	Note	1 Jan 2015 – 31 Mar 2016 SEK	1 Jan 2014 – 31 Dec 2014 SEK	1 Jan 2015 – 31 Mar 2016 INR	1 Jan 2014 – 31 Dec 2014 INR
Operating expenses					
Other external expenses		(47,372)	(38,137)	(387,029)	(311,579)
Total operating expenses		(47,372)	(38,137)	(387,029)	(311,579)
Operating profit/loss		(47,372)	(38,137)	(387,029)	(311,579)
Financial items					
Other interest income and similar profit/loss items		2,069	2,335	16,904	19,077
Total financial items		2,069	2,335	16,904	19,077
Profit/loss after financial items		(45,303)	(35,802)	(370,126)	(292,502)
Profit/Loss before tax		(45,303)	(35,802)	(370,126)	(292,502)
Profit/Loss for the year		(45,303)	(35,802)	(370,126)	(292,502)

BALANCE SHEET

	Note	31 Mar 2016 SEK	31 Dec 2014 SEK	31 Mar 2016 INR	31 Dec 2014 INR
Assets					
Current assets					
<i>Current receivables</i>					
Trade receivables.....		2,984,175	1,895,412	24,380,710	15,485,516
Receivables from Group companies		2,372,954	2,581,264	19,387,034	21,088,927
Total current receivables		5,357,129	4,476,676	43,767,744	36,574,443
<i>Cash and bank balances</i>					
Cash and bank balances		4,334,560	3,619,323	35,413,355	29,569,869
Total cash and bank balances		4,334,560	3,619,323	35,413,355	29,569,869
Total current assets		9,691,689	8,095,999	79,181,099	66,144,312
Total assets		9,691,689	8,095,999	79,181,099	66,144,312
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 1000 shares.....		100,000	100,000	817,000	817,000
Total restricted equity		100,000	100,000	817,000	817,000
<i>Non-restricted equity</i>					
Profit brought forward		2,011,494	2,047,296	16,433,906	16,726,408
Profit/Loss for the year		(45,303)	(35,802)	(370,126)	(292,502)
Total Non-restricted equity		1,966,191	2,011,494	16,063,780	16,433,906
Total equity		2,066,191	2,111,494	16,880,780	17,250,906
Current liabilities					
Other liabilities		7,610,312	5,962,912	62,176,249	48,716,991
Accrued expenses and deferred income		15,186	21,593	124,070	176,415
Total current liabilities		7,625,498	5,984,505	62,300,319	48,893,406
Total equity and liabilities		9,691,689	8,095,999	79,181,099	66,144,312

SUPPLEMENTARY DISCLOSURES**Note 1: Accounting and Valuation Principles**

The annual accounts have been prepared for the first time in accordance with BFAR 2008:1 Annual Accounts of Small Limited Companies, which may mean that figures are not fully comparable with those for the preceding financial year.

Comparative figures have not been restated.

*Definitions of key performance indicators*Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Balance Sheet disclosures**Note 2: Changes in equity**

	Share capital	Profit/ loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	100,000SEK 817,000INR	2,047,296SEK 1,6726,408INR	(35,802SEK) (292,502INR)	2,111,494SEK 17,250,906INR
Appropriation of profits as resolved by the AGM		(35,802SEK) (292,502INR)	35,802SEK 292,502INR	
To be carried forward			(45,303SEK) (370,126INR)	(45,303SEK) (370,126INR)
Profit/loss for the year			(45,303SEK) (370,126INR)	(45,303SEK) (370,126INR)
Balance at year-end	100,000SEK 817,000INR	2,011,494SEK 16,433,906INR	(45,303SEK) (370,126INR)	2,066,191SEK 16,880,780INR

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-04-21.

Åre, April 21, 2016

Madelene Lillsund Queckfeldt

Calvin Lucock

Tapio Anttila

Our auditor's report has been submitted 2016-04-21.
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson

Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the abridged Financial Statements of the Company for the financial period commencing from October 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is currently acting as a Holding Company for Holiday Club Canarias Sales & Marketing S.L.U. and Holiday Club Canarias Resort Management S.L.U.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 1,263 (INR 94,687).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Calvin Stuart Lucock
- 2) Holiday Club Resorts Oy

Statement of Directors

In the opinion of the Board of Directors, the accompanying abridged Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no Auditor's report attached to Balance Sheet as at March 31, 2016, as there is no obligation to audit according to the Spanish Law.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors of
Holiday Club Canarias Investment S.L.U.

Calvin Stuart Lucock
Director

Holiday Club Resorts Oy
Director represented by
Calvin Stuart Lucock

Place : Gran Canaria, Mogán
Dated : April 18, 2016

PRACTITIONER'S REVIEW REPORT

To the Board of Directors of Holiday Club Resorts Oy

I have reviewed the financial statements of Holiday Club Canarias Investment S.L.U. for the financial period 1.4.2015-31.3.2016. The financial statements comprise balance sheet, the income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the local laws and regulations governing the preparation of the financial statements. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances.

Practitioner's responsibility

My responsibility is to express a conclusion on the financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 revised. ISRE 2400 (revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the local laws and regulations governing the preparation of the financial statements. The Auditing Act requires that I comply with the requirements of professional ethics.

A review of financial statements in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity as appropriate, and applies analytical procedures, and evaluates the evidence obtained.

The procedures performed are substantially less than those performed in an audit conducted in accordance with auditing standards. Accordingly, I do not express an audit opinion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not give true and fair view of the financial performance and financial position in accordance with local laws and regulations governing the preparation of the financial statements.

The above review has been conducted at the request of Holiday Club Resort Oy's management for the purpose of consolidation of the company's financial statements with that of Holiday Club Resort Oy.

Eero Suomela

Authorized Public Accountant
Nokkalankulma 7 B
02230 Espoo.

Place: Helsinki
Date: May 8. 2016

BALANCE SHEET AT MARCH 31, 2016

ASSET	EUROS		RUPEES	
	2015/16	2014/15	2015/16	2014/15
A) NON CURRENT ASSET				
IV. Long-Term investments in group companies and associates.....	6,200	6,200	464,814	464,814
TOTAL A	6,200	6,200	464,814	464,814
B) CURRENT ASSETS				
III. Trade and other receivables.....	131,499	131,472	9,858,480	9,856,456
3. Other Debtors	131,499	131,472	9,858,480	9,856,456
IV. Short-term investments in Group, Multigroup and Associate companies.....	–	477,531	–	35,800,499
V. Short Term financial investments	–	36	–	2,699
VII. Cash and equivalent liquid assets	1,151	1,483	86,290	111,181
TOTAL B	132,650	610,522	9,944,771	45,770,834
TOTAL ASSET(A + B)	138,850	616,722	10,409,585	46,235,648

	EUROS		RUPEES	
	2015/16	2014/15	2015/16	2014/15
TOTAL EQUITY AND LIABILITIES				
A) TOTAL EQUITY				
A-1) EQUITY	649	1,912	48,656	143,343
I. Capital	3,100	3,100	232,407	232,407
1. Share Capital	3,100	3,100	232,407	232,407
III. Reserves	1,901	1,901	142,518	142,518
V. Profit & Loss from previous periods	(3,089)	(1,732)	(231,582)	(129,848)
2. (Losses of previous years)	(3,089)	(1,732)	(231,582)	(129,848)
VII. Result for the period (losses)	(1,263)	(1,357)	(94,687)	(101,734)
TOTAL A	649	1,912	48,656	143,343
B) NON CURRENT LIABILITIES				
III. Long term debts with Group and associated Companies	6,252	6,252	468,712	468,712
TOTAL B	6,252	6,252	468,712	468,712
C) CURRENT LIABILITIES				
IV. Short term debts with Group and associated Companies	131,949	608,558	9,892,217	45,623,593
TOTAL C	131,949	608,558	9,892,217	45,623,593
TOTAL EQUITY AND LIABILITIES (A + B + C)	138,850	616,722	10,409,585	46,235,648

PROFIT AND LOSS ACCOUNT AT MARCH 31, 2016

CONCEPTS	EUROS		RUPEES	
	2015/16	2014/15	2015/16	2014/15
A) CONTINUING OPERATIONS				
7. Other operating expenses	(1,181)	(1,181)	(88,540)	(88,540)
13. Other results.....	-	-	-	-
A.1.) OPERATING INCOME (LOSS)	(1,181)	(1,181)	(88,540)	(88,540)
14. Financial income				
15. Financial Expenses	(82)	(176)	(6,148)	(13,195)
A.2) FINANCIAL PROFIT & LOSS (LOSS)	(82)	(176)	(6,148)	(13,195)
A.3) PROFIT BEFORE TAXES (LOSS)	(1,263)	(1,357)	(94,687)	(101,734)
A.5) PROFIT & LOSS IN THE PERIOD (LOSS)	(1,263)	(1,357)	(94,687)	(101,734)

2015/2016 ABRIDGED FINANCIAL REPORT

1. THE COMPANY'S BUSINESS

HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U. was set up as a limited corporation on December 9, 2010, before the Notary Public Valentín Concejo Arranz, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Maspalomas, under his Protocol Number 1522.

On March 3, 2011, it acquired its current status as a Sole Proprietor Limited Liability Company and on July 22nd, 2011, a corporate decision was notarised in which the accounting year initially established in the Corporate By-Laws was changed to the current system.

The main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use.

The Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the balance sheet, in the Profit & Loss Account and in this Report are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

True and Fair View

The attached Annual Accounts, obtained from the Company's corporate accounts, are presented according to Spanish Royal Decree 1514/2007 in which the General Accounting Plan of Spain was approved, reflecting, therefore, a faithful view of the equity, the financial situation and the Company's Profit & Loss, according to the generally accepted accounting practices and regulations.

Non-Mandatory Accounting Principles Applied:

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

Critical Aspects in the Valuation and Judgement of Uncertainty

In the drafting of Annual Accounts for the financial year ending on March 31, 2016, it was not necessary for the Corporate Administrative Body to use any estimates to appraise assets, liabilities and expenses.

On the other hand, the Administrative Body is not aware of any uncertainties relative to conditions from which any doubts could arise, regarding the fact that the company is still operating normally. Therefore, the Annual Accounts have been prepared by the Administrative Body following the principals of a functioning company.

Comparison of the Information

For the purposes of the obligation established in Article 35.6 of the Spanish Business Code and to those effects derived from the application of the principles of uniformity and the requirement of comparability in Abridged Annual Accounts, not only do the data reflect the Financial Period ending on March 31, 2016, but the figures corresponding to the previous Financial Period ending on September 30, 2015.

However, it is important to point out that the figures corresponding to the Financial Year ending on September 30, 2015 will not be comparable, since the Financial Period ending on March 31, 2016 only covered 6 months and the previous period covered twelve months. This is due to the fact that the shareholders passed a resolution in which they decided to modify the Financial Period, in order for it to start every April 1 of each year. This is why the Financial Period 2015/2016 only covered 6 months.

Said accounting balances were drafted according to the regulations established in Royal Decree 1514/2007, in which the Spanish General Accounting Plan was approved, therefore they need not be standardised to compare them.

Elements gathered in several headings

There are no assets or liabilities included under two or more headings on the Corporate Balance.

Changes to Accounting Criteria

During the financial period, no changes in accounting criteria significant to those applied in the previous financial period have occurred, and there is no impact at all to the net assets and liabilities of the company.

Correction of inaccuracies

During the financial period, no adjustments have been made to correct any errors.

Currency exchange rate

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

3. APPLICATION OF EARNINGS

The company's Administrators will propose at the Annual General Meeting, not to distribute results, due to the losses incurred in the financial year ending on March 31, 2016 of the amount of 1,263 Euros (94,687 Rupees). Said losses shall be compensated by the company's future profits.

Results	2015/2016
Profit and Loss	(1,263)
EUR Total	(1,263)

Application	2015/2016
To Profit/loss in prior Financial Periods	(1,263)
EUR Total	(1,263)

Results	2015/2016
Profit and Loss	(94,687)
RUPEES Total	(94,687)

Application	2015/2016
To Profit/loss in prior Financial Periods	(94,687)
RUPEES Total	(94,687)

Dividends on Account

The Company has not agreed to distribute dividends on account in the current financial period.

Limitations to the distribution of Dividends.

The distribution of earnings complies with requirements and limitations established in the company's By-laws and current legal regulations in effect.

4. RECOGNITION AND MEASUREMENT

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

Intangible Assets

In general, intangible assets are valued initially at their acquisition price or production cost. Thereafter, they are valued at their cost adjusted by the corresponding accrued amortization and, if the case, by depreciation due to any wear and tear they could have suffered.

Fixed Assets

Fixed assets are valued at the purchase price, net of its corresponding accrued amortisation and if the case, by depreciation due to any wear and tear they could have suffered.

In addition to the price paid for the acquisition of each element, the acquisition cost includes the finance charges accrued during construction periods directly attributable to the acquisition or construction of the asset, as long as more than one year was needed to put it into usable condition.

Conservation and maintenance costs incurred during the financial year shall be charged to the Profit & Loss account.

Enlargement or improvements that extend the useful life of the assets are capitalised as an increased value of it.

The company depreciates its fixed assets following the straight-line method, distributing the cost of assets amongst the years of its estimated useful life.

Real-estate Investments

The heading "Real-estate Investments" of the Balance sheet, includes the value of land and buildings which are being maintained for their management and lease or to obtain profit from their sale as a consequence of increases produced in future in their respective market prices.

The company depreciates its Real-estate investments following the straight-line method, distributing the cost of assets amongst the years of useful life.

Financial Assets

Those assets consisting of cash, equity instruments in other companies or contracted rights to receive cash or other financial assets have been considered financial assets. Contractual rights to exchange financial assets or liabilities with third parties in potentially favourable conditions have also been included.

Financial assets, for their valuation, have been classified in the following categories:

- Financial assets at amortised cost: the category of financial assets includes on one hand, loans for trade receivables from the sale of goods and services provided for the company's trade operations and on the other hand, other financial assets which, while they are not equity instruments or derivatives, did not arise from trade and their collection is for specific or specifiable amounts. The financial assets included in this category have been valued initially by their cost which equals the reasonable value of the compensation delivered plus transaction costs.
- Financial assets held for negotiation: The Company has included in this section, those financial assets which arose from or were acquired for the purpose of reselling them short-term, or financial assets that are part of a portfolio of financial instruments for the purpose of achieving profits in the short-term. Derivative financial assets without contractual financial guarantee and without having been designated as a hedging instrument, have also been included
- Financial assets at amortised cost: In this category, investment in the equity of companies in the group, multi-group and affiliated companies have been included, as well as other equity instruments not included in the category "Financial Assets held for trading". These financial assets were initially valued at cost, that is, the reasonable value of the compensation delivered plus transaction costs directly attributable to them.

The criteria applied to determine the existence of impairment were different according to the category of each financial asset:

- Financial assets at amortised cost: At least at the closing of the financial period, the existence of objective evidence that the value of a financial asset or a group of financial assets with similar risk characteristics, were impaired as a result of one or more events that occurred after their initial recognition and that have caused a reduction in estimated future cash-flow. The loss by impairment of the value of these financial assets have been the difference between the book-value and the current value of the future estimated cash-flow generated. The current values of the cash-flows have been substituted, where the case may be, for the market value of the asset, where it is sufficiently reliable. Value corrections due to impairment, as well as its reversal, have been recognised as an expense or income in the profit and loss account.
- Financial assets held for trade: Following their initial assessment, this type of assets have been valued at their reasonable value without deducting transaction costs which may have been incurred during their conveyance. Any changes to the reasonable value have been attributed to the financial period's Profit & Loss Account.
- Financial Assets at cost: at least at the closing of the financial period, the existence of objective evidence was verified, that the book-value of some investments has not been recoverable. The amount of the value correction was the difference between the book-value and the recoverable amount. Assessment corrections for impairment and their reversal have been recorded as an expense or income in the period's profit and loss account.

The company has derecognised financial assets when they or a part of them reached their termination or the contractual rights were assigned as long as the grantor had relinquished the risks and profits inherent in the ownership of said asset. In the assignment operations in which the financial asset has not been derecognised, an additional financial liability derived from the amounts received, has been recorded.

Investments which have complied with the requirements established in Regulation 11 of the drafting of the Annual Accounts have been recorded in the category "Group Company Investments". This type of investments have been initially recorded at their cost value and later also at the cost, less where applicable, the amount accrued in value corrections due to impairment.

At least at the end of the financial period, the necessary value adjustments were made, as long as objective evidence existed that the book-value of an investment was not recoverable. The amount of the value adjustment shall be the difference between book-value and the recoverable amount. Value adjustments for impairment and any reversal have been recorded as an expense or income respectively, in the Profit & Loss Account. The reversal of the impairment is limited by the book-value of the investment which shall be recognised at the date of reversal if the impairment of the value had not been recorded.

Financial asset interest and dividends after the moment of their acquisition have been recognised as income in the Profit & Loss Account. Interest has been recognized using the effective interest method and dividends where the shareholder's right to collect them was declared.

Financial Liabilities

Those liabilities that have meant a direct or indirect contractual obligation for the company, for the delivery of cash or any other financial assets or the exchange of financial assets or liabilities with third parties in potentially unfavourable conditions or which grant the holder the right to demand the issuer to redeem them at a certain date and for a certain amount, have been classified as Financial liabilities.

Financial liabilities, for the purpose of their appraisal, have been classified in the following categories:

- Financial liabilities at amortised cost: debits for trade operations which originated in the purchase of goods and services for the company's business transaction and debits for non-commercial operations which are not derivative instruments and do not originate in trade, have been included as financial liabilities, and were initially assessed at their cost, which equals the reasonable value for the compensation received, adjusted by the transaction expenses directly attributable to them.
- Financial liabilities held for trade: the company has included in this section, derivative financial instruments as long as they are not financial warrantee contracts nor have been designated as hedging instruments. These finance liabilities have been assessed originally at their cost, which is equivalent to the reasonable value of the compensation received, adjusted by the transaction costs directly attributable to them.

The Company has derecognised financial liabilities or a part of them, when the obligation has been terminated. Those financial liabilities acquired by the Company, even with the intention of relocating them in future have also been derecognised. The difference between the book-value of liabilities and the compensation paid, including attributable transaction expenses, have been recognised in the profit and loss account of the period in which they took place.

Inventories

The assets comprising Inventory have been valued according to their acquisition price, understanding such to be the one established on the invoice plus all additional costs produced until the moment said goods reach the storage room, comprising transportation, customs fees etc. Any value corrections made at the end of the financial year should the corresponding market or any other value is lower than that of the purchase price, have also been taken into consideration.

Where a value has been assigned to specific items that are part of an inventory of goods exchangeable amongst themselves, the Company has opted to, as a general rule, apply the average

price method or the weighted average price. The FIFO method has also been accepted by the Company.

When the net realizable value of the inventories is lower than its purchase price, the Company has carried out the appropriate value corrections, recognising them as an expense on the Profit & Loss account. Once the circumstances that caused the value correction to said stock have ceased to exist, the amount of the correction shall be reversed, recognising it as income into the Profit & Loss account.

Tax on Profits

In general, a liability has been recognised as a deferred tax on all taxable temporary differences. Deferred tax assets, according to the precautionary principle, have been recognised as such insofar as it seems probable that the Company has used future tax earnings which allow the application of these assets. If the preceding condition were fulfilled, in general terms it would be considered a deferred tax asset when: there have been deductible temporary differences, rights to off-set in subsequent years, tax losses and deductions and other tax advantages not used, which are pending application for tax purposes.

Deferred Tax Assets and Liabilities have been valued according to the expected taxation types at the moment of their reversal, according to the regulations current or approved and pending publication at the time the financial year comes to a close and according to the manner in which the recovery or payment of the asset or liability has rationally been foreseen.

Income and Expenses

Income has been recognised as a consequence of an increase in the Company's resources, as long as its amount has been determined reliably. Expenses have been recognized as a consequence of a decrease in the Company's resources, as long as their amount has also been reliably appraised or estimated.

Income for services rendered have been recognised when the result of the transaction has been reliably estimated, considering the percentage of the service carried out at the closing of the financial period. Only income for services rendered under the following conditions have been accounted for: when the amount of the income has been reliably appraised, as long as the Company has obtained profits or performance from the transaction and it has been reliably assessed at the closing of the period and lastly, when the expenses incurred in the rendering of the service, including those to be incurred, have been reliably assessed.

Provisions and Contingencies

The Company has recognised as provisions those liabilities which, complying with the definition and accounting records and the criteria of accounting records within the conceptual framework of accounting, that have resulted undetermined with regard to their amount or the date on which they shall be cancelled. Said provisions have been determined by a legal, contractual precept or an implicit or tacit obligation.

Provisions have been valued on the date of closing the financial period, at the current value or the highest possible

estimate of the amount required to cancel or transfer the obligation to a third party, recording the provision as a finance charge as it has been accrued. In cases of provisions with an expiry of a year or less, no type of discount has been made.

Transactions between related parties

The Company has valued trade and financial operations carried out with related parties or companies at market rates. In addition, transfer prices have been adequately borne, therefore the Administrative body does not consider there to be any significant risks derived from this matter, from which liabilities or any consideration may arise in the future.

5. INTANGIBLE AND TANGIBLE FIXED ASSETS AND REAL ESTATE INVESTMENTS

Tangible Fixed Assets

There is no amount accounted for under this heading.

Intangible Fixed Assets

There is no amount accounted for under this heading.

Real-estate Investments

At the beginning of the period closing on March, 31st 2016, the Company had not recorded any real-estate investments.

Financial Lease

At the closing of the period, there is no provision for this heading.

6. FINANCIAL ASSETS

Values and types of Assets

Financial instruments have been classified according to the nature and function they fulfil in Company. The Company's financial assets have shown the following book values:

Short-term Financial Assets - Financial year 2015/2016

	Equity Instruments	Debt Securities	Loans, Guarantees and others	TOTAL
Financial Assets at cost	6,200	—	6,200	6,200
Financial Asset at cost Amortized	—	—	—	—
EUR TOTAL	6,200		6,200	6,200

	Equity Instruments	Debt Securities	Loans, Guarantees and others	TOTAL
Financial Assets at cost	464,814	—	464,814	464,814
Financial Asset at cost Amortized	—	—	—	—
RUPEES TOTAL	464,814		464,814	464,814

Losses due to Impairment

There are no value adjustments due to impairment recorded in this financial period.

7. FINANCIAL LIABILITIESValues and types of liabilities

Financial instruments have been classified according to the nature and function they fulfil in Company. The Company's financial liabilities have shown the following book values:

Long-term Financial Liabilities - Financial year 2015/2016

	Other debts	TOTAL
Financial liabilities at amortised cost	6,252	6,252
EUR TOTAL	6,252	6,252

	Other debts	TOTAL
Financial liabilities at amortised cost	468,712	468,712
RUPEES TOTAL	468,712	468,712

Short-term Financial Liabilities - Financial year 2015/2016

	Other debts	TOTAL
Financial liabilities at amortised cost	131,949	131,949
EUR TOTAL	131,949	131,949

	Other debts	TOTAL
Financial liabilities at amortised cost	9,892,217	9,892,217
RUPEES TOTAL	9,892,217	9,892,217

8. EQUITYShare Capital

The Share Capital comes to 3,100 Euros (232,407 Rupees), divided into thirty-one shares at face value of 100 Euros (7,497 Rupees) each.

Legal Reserve Fund

In compliance with the Consolidated Text of the Spanish Law of Corporations, an amount equal to 10% of the profits of the financial year must be devoted to a legal Reserve Fund, until it reaches at least 20% of Share Capital.

The legal Reserves at the close of the financial year, stood at 190 Euros (14,244 Rupees).

Voluntary Reserves

The allocations to the Voluntary Reserves at the end of the financial year came to 1,711 Euros (128,274 Rupees).

The Canarian Investment Reserve Fund

No funds have been allocated to the Canarian Reserve Funds at the closing of this financial year.

9. FISCAL POSITIONTax on Profits

The reconciliation between the accounting profit and loss and the taxable corporate income tax is as follows:

	EUROS
Accounting profit	(1,263)
Total increase on Accounting Profit	
Total decrease on Accounting Profit	
Prior taxable income	(1,263)
Compensation neg. T.I. previous periods	
Tax base	(1,263)
Tax rate	28%
Total tax due	
Deductions for double taxation	
Total tax adjusted	
Other deductions	
Tax payable	
Tax withholding and payments on account	
Tax to be paid or collected	-

	INDIAN RUPEES
Accounting profit	(94,687)
Total increase on Accounting Profit	
Total decrease on Accounting Profit	
Prior taxable income	(94,687)
Compensation neg. T.I. previous periods	
Tax base	(94,687)
Tax rate	28%
Total tax due	
Deductions for double taxation	
Total tax adjusted	
Other deductions	
Tax payable	
Tax withholding and payments on account	
Tax to be paid or collected	-

Notwithstanding the aforesaid, the Company is taxed within a group in which it is the parent company, subject to the special tax system of consolidated taxation. The generated taxable income that would be offset in future periods is compensated with positive taxable bases generated in the Group.

Loans between companies in the Group to cover negative taxable bases, have been recorded in the Company's accounting.

As per current legislation, taxes cannot be considered to have been settled until the returns presented have been inspected by the Revenue Service or the four-year statute of limitations has passed.

Therefore, at the date of closing, the Company has all taxes applicable corresponding to the last four years, including its Corporate Tax for the period 2015/2016, available for inspection.

The Administrative body of the Company considers that the abovementioned taxes have all been adequately settled, for which, even in the event of discrepancies in the interpretation of current regulations in the fiscal treatment practised on the operations, possible resulting liabilities, in the event they should materialise, would not significantly affect the attached abridged yearly accounts.

Profits or Tax Incentives

In the settlement of Corporate Taxes corresponding to the period 2015/2016, the Company has not applied any tax incentives.

10. INCOME AND EXPENSES

The Company has carried out the following operations in this period, which are reflected in the corresponding heading in the Profit and Loss Account:

	EUROS
<u>Other operating expenses</u>	
623 Professional services	107
631 Local Tax	1,074
<u>Financial Expenses</u>	
669 Other financial expenses	82
RUPEES	
<u>Other operating expenses</u>	
623 Professional services	8,022
631 Local Tax	80,518
<u>Financial Expenses</u>	
669 Other financial expenses	6,148

11. GRANTS, DONATIONS AND BEQUESTS

The company has not been given any grants, donations or legacies during this period.

12. TRANSACTIONS WITH RELATED PARTIES

The Company goes on to detail transactions with related parties, broken down according to type of relationship. In order to facilitate sufficient information to comprehend the transactions carried out with related parties, the following list identifies those persons, whether natural or legal entities,

with whom this type of transactions have been carried out, expressing the nature of the relationship with each party involved:

Name	Related Transaction
HOLIDAY CLUB SWEDEN AB	CREDIT

In accordance with what has been established in Spanish Royal Decree 1515/2007 of November 16th, in this section, those transactions which, as part of the ordinary business of this Company, have been carried out under normal market conditions, but are for small amounts and therefore irrelevant to the truthful picture of the Company, have not been included.

13. OTHER INFORMATION

Average number of Employees

The Company has not employed anyone during this period.

Off-balance sheet business agreements

The Company is not party to any agreements that are not on the Balance Sheet, nor to any for which information has not been given in other sections of this Report.

Information about the Environment and Greenhouse Gas Emission Rights.

Due to the activities the Company carries out, it has no assets devoted to minimising environmental impact and the protection and improvement of the environment, nor has it incurred in expenses for those purposes, during this period. No funds have been provisioned to cover risks and expenses for environmental protection, since no contingencies related to the protection and improvement of the environment are esteemed to exist, nor have grants for environmental purposes been received.

There is no information to be revealed regarding Greenhouse Gas Emission Rights.

Calvin Stuart Lucock
Joint and Several Administrator and
Holiday Club Resorts Oy Representative

Place: Mogán

Date: April 18, 2016.

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in the sale of rotational enjoyment rights of holiday units.

The Company's Resort property located at Mogán, Gran Canaria, Spain, was fully operational.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of Euro 5,204,832 (INR 390,206,255) and made loss of Euro 182,035 (INR 13,647,164).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Calvin Stuart Lucock
- 2) Holiday Club Resorts Oy

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Canarias Investment S.L.U. and in turn subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Holiday Club Canarias Sales & Marketing, S.L.U.

Calvin Stuart Lucock
Director

Holiday Club Resorts Oy
Director represented by
Calvin Stuart Lucock

Place : Gran Canaria, Mogán
Dated : April 18, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Translation of a report originally in Spanish based on our work performed in accordance with the audit regulations in force in Spain and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Note 2). In the event of a discrepancy, the Spanish language version prevails.

To the shareholder of HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U.:

Report on the Financial Statements

We have audited the accompanying financial statements of HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. ("the Company"), which comprise the balance sheet as at 31st March 2016, and the income statement, statement of cash flows and notes to the financial statements for the year then ended.

Director's Responsibility for the Financial Statements

The Director is responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. in accordance with Financial Reporting Standards applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Company's director of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the accompanying financial statements presents fairly, in all material respects, the equity and financial position of HOLIDAY CLUB CANARIA SALES & MARKETING, S.L.U. as at 31st March 2016, and its results and its cash flows for the year then ended in accordance with Financial Reporting Standards as applicable to the Company in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying director's report for 2015-2016 contains the explanations which the Company's directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2015-2016. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U.

JAVIER ALVAREZ CABRERA
(nº ROAC: 16.092)

RSM SPAIN AUDITORES, SLP
(nº ROAC: S2158)

In Las Palmas de Gran Canaria,
on April 19, 2016

BALANCE AT MARCH 31, 2016

ASSETS	Notes	(Euros) 2015/16	(Rupees) 2015/16	(Euros) 2014/15	(Rupees) 2014/15
A) NON-CURRENT ASSETS					
I. Intangible Assets	5	1,811,706	135,823,599	1,807,995	135,545,385
4. Goodwill		1,807,995	135,545,385	1,807,995	135,545,385
5. IT applications		3,711	278,214	–	–
II. Fixed Assets	6	3,141,697	235,533,024	3,400,262	254,917,642
1. Property and Buildings		820,236	61,493,093	885,463	66,383,161
2. Technical Facilities and other Fixed Assets		2,321,461	174,039,931	2,514,799	188,534,481
V. Long-term financial investments	8	16,658	1,248,850	16,658	1,248,850
5. Other financial assets		16,658	1,248,850	16,658	1,248,850
VI. Deferred Tax Assets	13	86,878	6,513,244	91,440	6,855,257
TOTAL A		5,056,938	379,118,642	5,316,354	398,567,059
B) LIQUID ASSETS					
II. Inventories	11	7,707,366	577,821,229	7,427,501	556,839,750
1. Commercial inventories		7,694,024	576,820,979	7,420,524	556,316,684
6. Advance payments to suppliers	8	13,343	1,000,325	6,977	523,066
III. Commercial debtors and other accounts receivables		3,575,797	268,077,501	4,674,532	350,449,664
1. Trade receivables	8	3,541,661	265,518,325	3,796,809	284,646,771
a) Trade receivables/long term		629,690	47,207,859	1,316,043	98,663,744
b) Trade receivables/short term		2,911,971	218,310,466	2,480,766	185,983,027
4. Personnel	8	17,117	1,283,261	10,899	817,098
6. Other receivables from Public Administrations		17,020	1,275,989	866,824	64,985,795
IV. Short-term Investments in affiliated group and associated companies	8-19	835,040	62,602,949	2,039,318	152,887,670
2. Loans to companies		835,040	62,602,949	2,039,318	152,887,670
V. Short-term financial investments	8	–	–	379	28,414
5. Other financial assets		–	–	379	28,414
VI. Short-term accruals		1,358,594	101,853,792	561,567	42,100,678
VII. Cash and other equivalent liquid assets	8	522,771	39,192,142	228,394	17,122,698
1. Liquid assets		522,771	39,192,142	228,394	17,122,698
TOTAL B		13,999,568	1,049,547,613	14,931,691	1,119,428,874
TOTAL ASSETS (A + B)		19,056,506	1,428,666,255	20,248,045	1,517,995,934

BALANCE AT MARCH 31, 2016

NET WORTH AND LIABILITIES	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) TOTAL EQUITY					
A-1) EQUITY		3,366,987	252,423,015	3,549,022	266,070,179
I. Capital	10	3,100	232,407	3,100	232,407
1. Shared Capital		3,100	232,407	3,100	232,407
III. Reserves	10	5,396,060	404,542,618	5,396,060	404,542,618
1. Legal and statutory		3,100	232,407	3,100	232,407
2. Other reserves		5,392,960	404,310,211	5,392,960	404,310,211
V. Profit & Loss from previous Periods		(1,850,138)	(138,704,846)	(173,211)	(12,985,629)
2. (Losses from previous Periods)		(1,850,138)	(138,704,846)	(173,211)	(12,985,629)
VII. Losses for the period	3	(182,035)	(13,647,164)	(1,676,927)	(125,719,217)
A-3) GRANTS, DONATIONS AND LEGACIES RECEIVED	17	486,574	36,478,453	486,208	36,451,014
TOTAL A		3,853,562	288,901,543	4,035,230	302,521,193
B) NON CURRENT LIABILITIES					
II. Long-term Debts	9	48,951	3,669,856	167,012	12,520,890
2. Debts to Loan Institutions		43,954	3,295,231	153,392	11,499,798
3. Finance lease creditors	7	4,997	374,625	13,620	1,021,091
III. Long-term debts with Group and associated Companies	9-19	12,167,834	912,222,515	13,117,834	983,444,015
IV. Deferred Tax liabilities	13-17	162,191	12,159,459	208,375	15,621,874
TOTAL B		12,378,976	928,051,831	13,493,220	1,011,586,703
C) CURRENT LIABILITIES					
II. Short-term provisions	15	645,660	48,405,130	556,871	41,748,619
III. Short-term debts	9	285,745	21,422,303	307,736	23,070,968
2. Debts to loan institutions		260,747	19,548,203	279,789	20,975,781
3. Finance lease creditors	7	21,553	1,615,828	25,417	1,905,512
5. Other financial liabilities		3,446	258,347	2,530	189,674
IV. Short-term debts with Group and associated Companies	9-19	1,580,482	118,488,736	1,268,964	95,134,231
V. Trade Creditors and other Accounts payable		312,082	23,396,788	586,023	43,934,144
1. Suppliers	9-22	207	15,519	207	15,519
3. Sundry Creditors	9-22	194,660	14,593,660	332,309	24,913,206
4. Staff (salaries pending payment)	9	9,010	675,480	119,488	8,958,015
6. Other debts with Public Administrations		108,205	8,112,129	134,019	10,047,404
TOTAL C		2,823,969	211,712,956	2,719,595	203,888,037
TOTAL NET WORTH AND LIABILITIES (A + B + C)		19,056,506	1,428,666,255	20,248,045	1,517,995,934

PROFIT AND LOSS ACCOUNTS AT MARCH 31, 2016

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) CONTINUING OPERATIONS					
1. Turnover	21	5,204,832	390,206,255	9,171,924	687,619,142
a) Sales		3,943,204	295,622,004	7,517,812	563,610,366
b) Services rendered		1,261,628	94,584,251	1,654,112	124,008,777
2. Variation in inventories of products finished and being manufactured		300,299	22,513,416	126,338	9,471,560
3. Self-constructed assets		19	1,424	5,737	430,103
4. Supplies	14	(111,980)	(8,395,141)	(180,632)	(13,541,981)
a) Consumption of merchandise		(111,980)	(8,395,141)	(180,632)	(13,541,981)
5. Other operations income		798	59,826	1,181	88,540
a) Accessory income and other current operations		798	59,826	1,181	88,540
6. Personnel expenses		(1,586,695)	(118,954,524)	(3,483,596)	(261,165,192)
a) Wages, salaries and similar		(1,235,277)	(92,608,717)	(2,735,768)	(205,100,527)
b) Social Security contributions	14	(351,418)	(26,345,807)	(747,827)	(56,064,590)
7. Other operating expenses		(3,778,641)	(283,284,716)	(6,819,396)	(511,250,118)
a) Outsourced services	14	(3,345,499)	(250,812,060)	(5,446,534)	(408,326,654)
b) Taxes		(21,335)	(1,599,485)	(42,779)	(3,207,142)
c) Losses, impairment and variation of supplies from trade operations	14	(411,313)	(30,836,136)	(1,330,011)	(99,710,925)
d) Other current operating expenses		(494)	(37,035)	(72)	(5,398)
8. Depreciation of fixed assets	5-6	(268,711)	(20,145,264)	(524,146)	(39,295,226)
10. Allocation of subsidies for non-financial fixed assets and others	17	45,817	3,434,900	91,633	6,869,726
13. Other incomes and expenses	14	(17,124)	(1,283,786)	(42,097)	(3,156,012)
A.1.) Operating Income (LOSS)		(211,387)	(15,847,683)	(1,653,053)	(123,929,383)
14. Financial Income	8	78,896	5,914,833	152,460	11,429,926
b) Trade securities and other equity instruments		78,896	5,914,833	152,460	11,429,926
b 2) Third Parties		78,896	5,914,833	152,460	11,429,926
15. Financial expenses	9	(177,259)	(13,289,107)	(389,230)	(29,180,573)
a) For debts with group and associated Companies	19	(172,304)	(12,917,631)	(354,174)	(26,552,425)
b) Debts with Third Parties		(4,954)	(371,401)	(35,056)	(2,628,148)
17. Exchange differences		19,194	1,438,974	(51,961)	(3,895,516)
A.2) FINANCIAL PROFIT & LOSS (LOSS)		(79,169)	(5,935,300)	(288,732)	(21,646,238)
A.3) PROFIT BEFORE TAXES (LOSS)		(290,556)	(21,782,983)	(1,941,785)	(145,575,621)
19. Corporate Income Tax	13	108,522	8,135,894	264,858	19,856,404
A.5) PROFIT & LOSS IN THE PERIOD (LOSS)		(182,035)	(13,647,164)	(1,676,927)	(125,719,217)

STATEMENT OF CHANGES IN NET EQUITY AT MARCH 31, 2016

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) STATEMENT OF RECOGNISED PROFIT AND LOSS					
A) PROFIT AND LOSS ACCOUNT	3	(182,035)	(13,647,164)	(1,676,927)	(125,719,217)
B) TOTAL P&L DIRECTLY ATTRIBUTABLE TO EQUITY	17	32,820	2,460,515	-	-
III. Grants, donations and legacies received		-	-	-	-
V. Tax effect		32,820	2,460,515	-	-
C) TRANSFERS TO PROFIT & LOSS ACCOUNT	17	(32,454)	(2,433,076)	(64,143)	(4,808,801)
VIII. Grants, donations and legacies received		(45,817)	(3,434,900)	(91,633)	(6,869,726)
IX. Tax effect....		13,363	1,001,824	27,490	2,060,925
TOTAL RECOGNISED PROFIT & LOSS (A+ B + C)		(181,668)	(13,619,650)	(1,741,070)	(130,528,018)

STATEMENT OF CHANGES IN NET EQUITY AT MARCH 31, 2016 (euros)

ITEM	Shared Capital	Reserves	Accumulated Losses	Current year's Profit & Loss	Grants, donations and legacies received	TOTAL
B) TOTAL STATEMENT OF CHANGES TO EQUITY						
A. BALANCE AT YEAR'S END 2013/14	3,100	5,396,060	-	(173,211)	550,351	5,776,300
B. ADJUSTED BALANCE Year's beginning 2014/15	3,100	5,396,060	-	(173,211)	550,351	5,776,300
I. Total recognised incomes and expenses	-	-	-	(1,676,927)	(64,143)	(1,741,070)
III. Other changes to Equity	-	-	(173,211)	173,211	-	-
C. BALANCE AT YEAR'S END 2014/15	3,100	5,396,060	(173,211)	(1,676,927)	486,208	4,035,230
D. ADJUSTED BALANCE, BEGINNING OF YEAR 2015/16	3,100	5,396,060	(173,211)	(1,676,927)	486,208	4,035,230
I. Total recognised incomes and expenses	-	-	-	(182,035)	366	(181,668)
III. Other changes to Equity	-	-	(1,676,927)	1,676,927	-	-
E. BALANCE AT YEAR'S END 2015/16	3,100	5,396,060	(1,850,138)	(182,035)	486,574	3,853,562

STATEMENT OF CHANGES IN NET EQUITY AT MARCH 31, 2016 (Rupees)

ITEM	Shared Capital	Reserves	Accumulated Losses	Current year's Profit & Loss	Grants, donations and legacies received	TOTAL
B) TOTAL STATEMENT OF CHANGES TO EQUITY						
A. BALANCE AT YEAR'S END 2013/14	232,407	404,542,618	-	(12,985,629)	41,259,814	433,049,211
B. ADJUSTED BALANCE Year's beginning 2014/15	232,407	404,542,618	-	(12,985,629)	41,259,814	433,049,211
I. Total recognised incomes and expenses	-	-	-	(125,719,217)	(4,808,801)	(130,528,018)
III. Other changes to Equity	-	-	(12,985,629)	12,985,629	-	-
C. BALANCE AT YEAR'S END 2014/15	232,407	404,542,618	(12,985,629)	(125,719,217)	36,451,014	302,521,193
D. ADJUSTED BALANCE, BEGINNING OF YEAR 2015/16	232,407	404,542,618	(12,985,629)	(125,719,217)	36,451,014	302,521,193
I. Total recognised incomes and expenses	-	-	-	(13,647,164)	27,439	(13,619,650)
III. Other changes to Equity	-	-	(125,719,217)	125,719,217	-	-
E. BALANCE AT YEAR'S END 2015/16	232,407	404,542,618	(138,704,846)	(13,647,164)	36,478,453	288,901,543

CASH FLOW STATEMENT AT MARCH 31, 2016

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) CASH-FLOW FROM OPERATING ACTIVITIES					
1. PROFIT & LOSS BEFORE TAX		(290,556)	(21,782,983)	(1,941,785)	(145,575,621)
2. ADJUSTMENTS TO PROFIT & LOSS		732,570	54,920,773	1,999,294	149,887,071
a) Depreciation of Fixed Assets	5-6	268,711	20,145,264	524,146	39,295,226
b) Value corrections of impairment losses		411,313	30,836,136	1,224,356	91,789,969
c) Change to provisions	15	–	–	105,655	7,920,955
d) Allocation of grants		(45,817)	(3,434,900)	(91,633)	(6,869,726)
g) Financial Income	8	(78,896)	(5,914,833)	(152,460)	(11,429,926)
h) Financial Expenses	9	177,259	13,289,107	389,230	29,180,573
3. CHANGES IN WORKING CAPITAL		(574,621)	(43,079,336)	(181,692)	(13,621,449)
a) Inventories		(279,865)	(20,981,479)	10,394	779,238
b) Trade and other accounts receivable		776,211	58,192,539	71,475	5,358,481
c) Other current assets		(797,026)	(59,753,039)	(119,470)	(8,956,666)
d) Creditors and other accounts payable		(273,942)	(20,537,432)	(144,091)	(10,802,502)
4. OTHER CASH FLOW FROM OPERATING ACTIVITIES		(98,363)	(7,374,274)	(236,774)	(17,750,947)
a) Interest payments	9	(177,259)	(13,289,107)	(389,230)	(29,180,573)
c) Interest receivable	8	78,896	5,914,833	152,460	11,429,926
d) Income taxes paid		–	–	(4)	(300)
5. CASH FLOW ON OPERATING ACTIVITIES		(230,970)	(17,315,821)	(360,957)	(27,060,946)
B) CASH FLOW FROM INVESTMENT ACTIVITIES					
6. PAYMENTS FOR INVESTMENTS		(13,857)	(1,038,859)	(762,607)	(57,172,647)
a) Group and Associated Companies		–	–	(747,453)	(56,036,551)
b) Intangible Assets	5	(3,816)	(286,086)	–	–
c) Fixed Assets	6	(10,041)	(752,774)	(14,774)	(1,107,607)
e) Other financial assets	8	–	–	(379)	(28,414)
7. DIVESTMENT RECEIPTS		1,317,740	98,790,968	–	–
a) Group and Associated Companies		1,317,361	98,762,554	–	–
e) Other financial assets		379	28,414	–	–
8. CASH FLOWS FROM INVESTMENT ACTIVITIES		1,303,883	97,752,109	(762,607)	(57,172,647)
C) CASH FLOWS FROM FINANCING ACTIVITIES					
10. RECEIVABLES AND PAYABLES FOR FINANCIAL INSTRUMENTS		(778,535)	(58,366,769)	1,086,799	81,477,321
a) Issue		312,433	23,423,102	1,387,085	103,989,762
3. Debts to Group and associated Companies		311,517	23,354,429	1,384,585	103,802,337
4. Other debts		916	68,673	2,500	187,425
b) Repayment and amortization		(1,090,968)	(81,789,871)	(300,286)	(22,512,441)
2. Debts with credit institutions		(140,968)	(10,568,371)	(300,286)	(22,512,441)
3. Debts with Group and Associated Companies		(950,000)	(71,221,500)	–	–
12. CASH FLOW FROM FINANCING ACTIVITIES		(778,535)	(58,366,769)	1,086,799	81,477,321
E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		294,378	22,069,519	(36,765)	(2,756,272)
Cash or cash equivalents at the beginning of the year	8	228,394	17,122,698	265,158	19,878,895
Cash or equivalents at the end of the year	8	522,771	39,192,142	228,394	17,122,698

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING MARCH 31, 2016

1. THE COMPANY'S BUSINESS ACTIVITY

- 1.1. HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. was founded as a limited corporation on December 9th, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1524. On March, 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company.
- 1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the sale of rotational enjoyment rights of holiday units in the five resorts called Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the management of a theme park in the municipality of Mogán, in Gran Canaria.
- 1.3. The Corporate offices are located at Avenida Anna Lindh, número 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria).
- 1.4. The financial year, between April 1st until March 31st of the following year, has been fixed according to the Group that belongs to, explained in the following note. However, during this financial year has been a change of financial year as indicated in the note 2.3 of this document.
- 1.5. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered at Avenida Ministra. Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria). Said company does not present yearly consolidated accounts, because it is not mandatory for it to do so. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in Finland, which presents yearly consolidated accounts.
- 1.6. On April 6th, 2011 the Public Deed was signed, by means of which the Company, together with its related company HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned the unsold weeks, which were recorded in the inventory for the amount of 3,730,000 Euros (279,638,100 Rupees); the rights to client's' loans recorded as financial assets for the amount of 2,251,656 Euros (168,806,650 Rupees), and the Goodwill corresponding to the main business of "Timeshare" for the amount of 1,967,742 Euros (147,521,617 Rupees). The remaining assets (real-estate property and goodwill from the administration and maintenance business) was assigned to the abovementioned related Company. On June 1st, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above, which caused amongst other things, goodwill to be adjusted to 1,807,995 Euros (135,545,385 Rupees).

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the balance sheet, in the Profit & Loss Account, in the Statement of Changes to Equity, in the Cash-flow Statement and in this Report are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

These annual accounts are presented for approval to the Ordinary General Meeting of Members.

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1514/2007 of November 16, in which the General Accounting Plan was approved, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

At the closing of the financial period, estimations were used in the drafting of the annual accounts such as: calculation of the impairment of assets, estimations of the useful life of the assets, amongst others. Due to future events, it is possible that additional information to that existing at the time the annual accounts were drafted require modifying these estimations in future periods.

There are no significant uncertainties relating to events or conditions which would raise significant doubts about the possibility of the Company continuing to operate normally.

2.3. Comparing Information

On February 1st, 2016 General Meeting of the Company in which it was agreed to modify the start and end dates of the financial year in the by-laws, establishing April 1 to March 31 of each year. Exceptionally, with respect to this financial period beginning on October 1, 2015, it was agreed to finalize on March 31, 2016.

However, it is important to point out that the figures corresponding to the Financial Year ending on September 30, 2015 will not be comparable, since the Financial Period ending on March 31, 2016 only covered 6 months (October 2015 to March 2016) and the previous period covered twelve months (October 2014 to September 2015). This is due to the fact that the shareholders passed a resolution in which they decided to modify the Financial Period, in order for it to start every April 1 of each year. This is why the Financial Period 2015/2016 only covered 6 months.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31st, 2016 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on September 30th, 2015, is as follows:

Euros	2015/16	2014/15
Distribution Balance		
Financial Period Losses	(182,035)	(1,676,927)
Distribution		
Losses accumulated from previous Financial Periods	(182,035)	(1,676,927)
Totals	(182,035)	(1,676,927)

Rupees	2015/16	2014/15
Distribution Balance		
Financial Period Losses	(13,647,164)	(125,719,217)
Distribution		
Losses accumulated from previous Financial Periods	(13,647,164)	(125,719,217)
Totals	(13,647,164)	(125,719,217)

4. RECOGNITION AND MEASUREMENT REGULATIONS

The main accounting principles and practices applied in the drafting of the Annual Accounts follow current legislation, highlighting as most important the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance.

The most significant accounting criteria applied in the drafting of the Annual Accounts is the following ones:

4.1. Intangible Fixed Assets

The intangible fixed assets are comprised of Goodwill and Computer applications which are valued at their acquisition price, including necessary additional expenses to get them up and running. The computer applications are amortised at 33 per cent according to their useful lives.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value.

4.2. Tangible Fixed Assets

These have been appraised at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during its operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27th, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings	11.76%
Machinery	10.53 – 25%
Other installations	10.53 – 12%
Furniture	10 – 20 – 25%
IT Equipment	12.5 – 25%
Vehicles	11.76 – 16%
Other intangible assets	10 – 15%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Financial Instruments

The Company's financial instruments are classified as:

- Loans and accounts receivable, including those loans for commercial or non-commercial operations. Those whose maturity is no longer than one year are valued at their face-value, because they do not have any contractual interest rate and the effect of not up-dating the cash-flow is not significant. Those whose maturity is over one year are measured at their reasonable value, equal to the value of the compensation delivered plus directly attributable transaction costs. Interests accrued are accounted for in the Profit & Loss Account, applying the Effective Interest Rate method.

Loss due to impairment of the value of these financial assets is the difference between their book value and the real value of future cash-flow estimated to be generated by them, less the effective interest rate calculated at the time of their initial recognition. The reversal of the impairment shall be limited by the loan's book value.

- Investments held until their maturity: The financial assets that the Company means to hold until their maturity has been included in this category. Their initial valuation is their reasonable value, which saving evidence to the contrary, shall be the price of the transaction plus those transaction costs directly attributable to them. Their subsequent valuation shall be measured at amortised cost. Interest shall be applied to the Profit and Loss Account at an effective interest rate. No corrections have been applied to their values.
- Debits and accounts payable, including debits from commercial operations and the amounts owed by non-commercial operations: They will initially be measured by their reasonable value, except

those debits which are for trade operations with a maturity of no more than one year and which do not bear any contractual interest, the amount of which is expected to be paid off short term, which are valued at their face value. Interest accrued is accounted for in the Profit and Loss Account, applying the effective interest rate method.

Financial instruments are classified as short and long-term, according to whether their maturity is less than or more than twelve months, respectively.

The Company has complied with requirements set out in the regulations relating to governing, recording and measurement of financial instruments.

4.4. Inventories

The Company's commercial stocks correspond to rotational enjoyment rights of rooms in the possession of the Company and are valued at acquisition price.

The Company's Administrators consider that the book value of the inventories does not exceed their recoverable value.

4.5. Transactions in Foreign Currency

The accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, differences both positive and negative that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an income during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income has also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation.

4.7. Income and Expenses

Income and expenses are charged according to the actual stream of goods and services which they represent and regardless of when the monetary or financial flow deriving there from arises.

Revenue from sales and services performed will be measured at the fair value of the consideration received or receivable; the amount of any discount deducted, reduction in the price or other similar items that the company might grant. They are recognized when all the risks and significant benefits inherent in the ownership of the property have been transferred to the buyer.

Purchases and services incorporate taxes levied on the operation, with the exception of the VAT when deductible status is had.

4.8. Provisions and Contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

4.9. Personnel Expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, Donations and Legacies

Capital grants, which are non-refundable, are recorded directly in Equity as revenue, excluding the tax effect and are attributed to the Financial Period's results in proportion to the allocation of depreciation in the period for the assets pertaining to the grant.

4.11. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS

5.1. The transactions that occurred during the 2014/15 and 2015/16 periods were the following:

<u>Euros</u>	<u>Balance 30.09.14</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 30.09.15</u>
<u>Gross Costs</u>				
Goodwill	1,807,995	-	-	1,807,995
IT Applications	10,701	-	-	10,701
Totals	1,818,696	-	-	1,818,696
<u>Accumulated amortization</u>				
IT Applications	10,503	198	-	10,701
Net Totals	1,808,192			1,807,995

<u>Euros</u>	<u>Balance 30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 31.03.16</u>
<u>Gross Costs</u>				
Goodwill	1,807,995	-	-	1,807,995
IT Applications	10,701	3,816	-	14,517
Totals	1,818,696	-	-	1,822,511
<u>Accumulated amortization</u>				
IT Applications	10,701	105	-	10,806
Net Totals	1,807,995			1,811,706

<u>Rupees</u>	<u>Balance 30.09.14</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 30.09.15</u>
<u>Gross Costs</u>				
Goodwill	135,545,385	-	-	135,545,385
IT Applications	802,254	-	-	802,254
Totals	136,347,639	-	-	136,347,639
<u>Accumulated amortization</u>				
IT Applications	787,410	14,844	-	802,254
Net Totals	135,560,154			135,545,385

<u>Rupees</u>	<u>Balance 30.09.15</u>	<u>Acquisitions</u>	<u>Disposals</u>	<u>Balance 31.03.16</u>
<u>Gross Costs</u>				
Goodwill	135,545,385	-	-	135,545,385
IT Applications	802,254	286,086	-	1,088,339
Totals	136,347,639	-	-	136,633,650
<u>Accumulated amortization</u>				
IT Applications	802,254	7,872	-	810,126
Net Totals	135,545,385			135,823,599

5.2. As indicated in Note 1.6, The Company acquired the Goodwill corresponding to the main "Timeshare" business in 2011 for the amount of 1,967,742 Euros (147,521,618 Rupees). Said price was adjusted in the Purchase Deed granted in June 2012, for the amount of 159,747 Euros (11,976,233 Rupees).

5.3. There is no evidence of impairment through March 31, on any of the elements in the Intangible Fixed Assets.

5.4. There are fully depreciated software applications in use at September 30, 2015 and March 31, 2016 for the amount of 10,701 Euros (802,254 Rupees).

6. TANGIBLE FIXED ASSETS

6.1. The transactions occurring during the 2014/15 and 2015/16 periods were the following:

<u>Euros</u>	<u>Balance 30.09.14</u>	<u>Acquisitions</u>	<u>Transfers</u>	<u>Balance 30.09.15</u>
<u>Gross Costs</u>				
Buildings	1,069,788	-	55,708	1,125,496
Machinery	59,351	-	-	59,351
Other facilities	2,922,858	5,737	(55,708)	2,872,887
Furniture	232,318	5,297	-	237,615
IT Equipment	71,773	3,740	-	75,513
Vehicles	100,561	-	-	100,561
Other tangible fixed assets	22,267	-	-	22,267
Totals	4,478,916	14,774	-	4,493,690

<u>Accumulated amortization</u>				
Buildings	118,986	121,047	-	240,033
Machinery	9,502	6,756	-	16,258
Other installations	287,255	302,965	-	590,220
Furniture	77,557	54,452	-	132,009
IT Equipment	32,903	18,407	-	51,310
Vehicles	32,298	15,742	-	48,040
Other tangible fixed assets	10,980	4,578	-	15,558
Totals	569,480	523,948	-	1,093,429
Net Totals	3,909,436			3,400,262

<u>Euros</u>	<u>Balance 30.09.15</u>	<u>Acquisitions</u>	<u>Transfers</u>	<u>Balance 31.03.16</u>
<u>Gross Costs</u>				
Buildings	1,125,496	-	-	1,125,496
Machinery	59,351	-	-	59,352
Other facilities	2,872,887	1,615	-	2,874,502
Furniture	237,615	7,218	-	244,833
IT Equipment	75,513	1,209	-	76,722
Vehicles	100,561	-	-	100,561
Other tangible fixed assets	22,267	-	-	22,267
Totals	4,493,690	10,041	-	4,503,732

<u>Accumulated amortization</u>				
Buildings	240,033	65,227	-	305,260
Machinery	16,258	3,378	-	19,636

Euros	Balance 30.09.15	Acquisitions	Transfers	Balance 31.03.16
Other facilities	590,220	151,515	-	741,735
Furniture	132,009	32,324	-	164,334
IT Equipment	51,310	6,656	-	57,966
Vehicles	48,040	7,871	-	55,911
Other tangible fixed assets	15,558	1,635	-	17,193
Totals	1,093,429	268,606	-	1,362,035
Net Totals	3,400,262			3,141,697

Rupees	Balance 30.09.14	Acquisitions	Transfers	Balance 30.09.15
Gross Costs				
Buildings	80,202,006	-	4,176,429	84,378,435
Machinery	4,449,544	-	-	4,449,544
Other facilities	219,126,664	430,103	(4,176,429)	215,380,338
Furniture	17,416,880	397,116	-	17,813,997
IT Equipment	5,380,822	280,388	-	5,661,210
Vehicles	7,539,058	-	-	7,539,058
Other tangible fixed assets	1,669,357	-	-	1,669,357
Totals	335,784,333	1,107,607	-	336,891,939

Accumulated amortization				
Buildings	8,920,380	9,074,894	-	17,995,274
Machinery	712,365	506,497	-	1,218,862
Other installations	21,535,507	22,713,286	-	44,248,793
Furniture	5,814,448	4,082,266	-	9,896,715
IT Equipment	2,466,738	1,379,973	-	3,846,711
Vehicles	2,421,381	1,180,178	-	3,601,559
Other tangible fixed assets	823,171	343,213	-	1,166,383
Totals	42,693,916	39,280,382	-	81,974,372
Net Totals	293,090,417			254,917,642

Rupees	Balance 30.09.15	Acquisitions	Transfers	Balance 31.03.16
Gross Costs				
Buildings	84,378,435	-	-	84,378,435
Machinery	4,449,544	-	-	4,449,619
Other facilities	215,380,338	121,077	-	215,501,415
Furniture	17,813,997	541,133	-	18,355,130
IT Equipment	5,661,210	90,639	-	5,751,848
Vehicles	7,539,058	-	-	7,539,058
Other tangible fixed assets	1,669,357	-	-	1,669,357
Totals	336,891,939	752,774	-	337,644,788

Rupees	Balance 30.09.15	Acquisitions	Transfers	Balance 31.03.16
Accumulated amortization				
Buildings	17,995,274	4,890,068	-	22,885,342
Machinery	1,218,862	253,249	-	1,472,111
Other facilities	44,248,793	11,359,080	-	55,607,873
Furniture	9,896,715	2,423,330	-	12,320,120
IT Equipment	3,846,711	499,000	-	4,345,711
Vehicles	3,601,559	590,089	-	4,191,648
Other tangible fixed assets	1,166,383	122,576	-	1,288,959
Totals	81,974,372	20,137,392	-	102,111,764
Net Totals	254,917,642			235,533,024

6.2. Fixed assets acquired through finance lease contracts is as follows (see Note 7.1):

	(Euros)
Information Processing Equipment	13,378
Transport Elements (Vehicles)	92,361
	(Rupees)
Information Processing Equipment	1,002,949
Transport Elements (Vehicles)	6,924,304

6.3. There are no signs of impairment through March 31st, for the elements in the Tangible Fixed Assets.

6.4. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up-to-date.

6.5. There are fully depreciated information processing equipment in use at March 31, 2016 for the amount of 34,416 Euros (2,580,167 Rupees). At September 30, 2015 amounted 10,701 Euros (802,254 Rupees).

7. LEASES AND OTHER SIMILAR OPERATIONS

Financial Leases.

7.1. The amount initially recognised for the fixed assets subject to financial leasing comes to 105,739 Euros (7,927,253 Rupees) and corresponds to IT equipment and vehicles for 13,378 Euros (1,002,949 Rupees) and 92,361 Euros (6,924,304 Rupees) respectively (see Note 6.3). These assets have been recorded at their reasonable value.

7.2. The reconciliation between minimum future payments and the current value at the close of the 2015/16 and 2014/2015 period, is the following: (see Note 9.6):

Euros	2015/16	2014/15
Total amount of minimum future payments at the end of the period	27,226	40,996
Financial expenses not accrued	(676)	(1,959)
Current value to the end of the period (note 9.6)	26,550	39,037
	2015/16	2014/15
Rupees		
Total amount of minimum future payments at the end of the period	2,041,133	3,073,470
Financial expenses not accrued	(50,680)	(146,866)
Current value to the end of the period (note 9.6)	1,990,453	2,926,604

7.3. Minimum lease payments and their current value, at the end of the 2015/2016 and 2014/2015 years, according to their maturity are the following:

Euros	2015/16	2014/15
Minimum payment		
Up to 1 year	22,207	27,136
From 1 to 5 years	5,019	13,860
Current value		
Up to 1 year	21,553	25,417
From 1 to 5 years	4,997	13,620

Rupees	2015/16	2014/15
Minimum payment		
Up to 1 year	1,664,859	2,034,386
From 1 to 5 years	376,274	1,039,084
Current value		
Up to 1 year	1,615,828	1,905,512
From 1 to 5 years	374,625	1,021,091

7.4. The value of the Purchase Option of the fixed assets subject to financial leases comes to 2,272 Euros (170,332 Rupees).

7.5. The contingent quotas recognised as expenses in the 2014/15 financial period, come to 1,080 Euros (80,968 Rupees).

8. FINANCIAL ASSETS

Information related to the Balance Sheet

8.1. Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, Jointly-controlled group and associated companies) by categories and classes is as follows:

Euros	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
Long-term Financial Assets						
Investments held to maturity	-	-	-	-	16,658	16,658
Loans and Receivables	-	-	-	-	629,690	1,316,043
Totals	-	-	-	-	646,348	1,332,701

Short-term Financial Assets

Loans and Receivables	-	-	-	-	3,777,470	4,538,339
Liquid Assets	-	-	-	-	522,771	228,394
Totals	-	-	-	-	4,300,241	4,766,733

Rupees	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
Long-term Financial Assets						
Investments held to maturity	-	-	-	-	1,248,850	1,248,850
Loans and Receivables	-	-	-	-	47,207,859	98,663,744
Totals	-	-	-	-	48,456,710	99,912,594

Short-term Financial Assets

Loans and Receivables	-	-	-	-	283,196,926	340,239,275
Liquid Assets	-	-	-	-	39,192,142	17,122,698
Totals	-	-	-	-	322,389,068	357,361,973

8.2. Classification by Maturity:

The ratings depending on the maturity of different financial assets are as follows:

Euros	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Financial Assets							
Financial Investments	-	-	-	-	-	16,658	16,658
Other financial assets	-	-	-	-	-	16,658	16,658
Advances to Suppliers	13,343	-	-	-	-	-	-
Investments in Group and Associated Companies	835,040	-	-	-	-	-	-

Euros

	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Financial Assets							
Loans to companies		-	-	-	-	-	-
Commercial Debts and other Receivables	2,929,088	316,300	181,760	100,637	26,424	4,569	629,690
Customer receivables for sales and services	3,955,038	316,300	181,760	100,637	26,424	4,569	629,690
Clients' Impairment	(1,043,067)	-	-	-	-	-	-
Personnel	17,117	-	-	-	-	-	-
Cash and other Liquid Assets	522,771	-	-	-	-	-	-
Liquid Assets	522,771	-	-	-	-	-	-
Totals	4,300,241	316,300	181,760	100,637	26,424	21,227	646,348

Rupees

	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Financial Assets							
Financial Investments	-	-	-	-	-	1,248,850	1,248,850
Other financial assets	-	-	-	-	-	1,248,850	1,248,850
Advances to Suppliers	1,000,325	-	-	-	-	-	-
Investments in Group and Associated Companies	62,602,949	-	-	-	-	-	-
Loans to companies		-	-	-	-	-	-
Commercial Debts and other Receivables	219,593,727	23,713,011	13,626,547	7,544,756	1,981,007	342,538	47,207,859
Customer receivables for sales and services	296,509,199	23,713,011	13,626,547	7,544,756	1,981,007	342,538	47,207,859
Clients' Impairment	(78,198,733)	-	-	-	-	-	-
Personnel	1,283,261	-	-	-	-	-	-
Cash and other Liquid Assets	39,192,142	-	-	-	-	-	-
Liquid Assets	39,192,142	-	-	-	-	-	-
Totals	322,389,068	23,713,011	13,626,547	7,544,756	1,981,007	1,591,388	48,456,710

8.3. Corrections due to Impairment caused by Credit Risk

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows:

Euros	Amount
Balance at 30.09.14	660,000
Impairment Maturity (Note 14.1)	1,207,262
Impairment reversal (Note 14.1)	(660,000)
Balance at 30.09.15	1,207,262
Impairment Maturity (Note 14.1)	322,523
Impairment reversal (Note 14.1)	(486,718)
Balance at 31.03.16	1,043,067
Rupees	Amount
Balance at 30.09.14	49,480,200
Impairment Maturity (Note 14.1)	90,508,432
Impairment reversal (Note 14.1)	(49,480,200)
Balance at 30.09.15	90,508,432
Impairment Maturity (Note 14.1)	24,179,549
Impairment reversal (Note 14.1)	(36,489,248)
Balance at 31.03.16	78,198,733

Information relating to the Profit and Loss Account

8.4. Financial Income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account for the amounts of 78,896 Euros (5,914,833 Rupees) and 152,460 Euros (11,429,926 Rupees) for the 2015/16 and 2014/2015 Financial Periods respectively, correspond mainly to the accrual of default interest on late payments from clients.

Other Information

8.5. Reasonable Value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are valued at their cost.

Equity Instruments traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are measured at their reasonable value.

9. FINANCIAL LIABILITIES

Information related to the Balance Sheet.

9.1. Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories and classes is as follows:

Euros

	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
<u>Long-Term financial Liabilities</u>						
Debits and Payables	48,951	167,012	-	-	12,167,834	13,117,834
Totals	48,951	167,012	-	-	12,167,834	13,117,834
<u>Short-Term financial Liabilities</u>						
Debits and Payables	282,300	305,207	-	-	1,787,805	1,723,498
Totals	282,300	305,207	-	-	1,787,805	1,723,498

Rupees

	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
<u>Long-Term financial Liabilities</u>						
Debits and Payables	3,669,856	12,520,890	-	-	912,222,515	983,444,015
Totals	3,669,856	12,520,890	-	-	912,222,515	983,444,015
<u>Short-Term financial Liabilities</u>						
Debits and Payables	21,164,031	22,881,369	-	-	134,031,741	129,210,645
Totals	21,164,031	22,881,369	-	-	134,031,741	129,210,645

8.6. Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange; of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit granted to clients and debtors are granted based on a preliminary solvency study and strict follow-up of loans and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum, because the Company grants loans at a fixed interest rate.

9.2. Classification by Maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Euros							
Financial Liabilities	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Debts	285,745	48,951	-	-	-	-	48,951
Debts with Credit Institutions	260,747	43,954	-	-	-	-	43,954
Financial Lease Creditors	21,553	4,997	-	-	-	-	4,997
Other financial liabilities	3,446	-	-	-	-	-	-
Debts with Group and Associated Companies	1,580,482	-	-	-	-	12,167,834	12,167,834
Trade Creditors and other Accounts Payable	203,877	-	-	-	-	-	-
Suppliers	207	-	-	-	-	-	-
Sundry Creditors	194,660	-	-	-	-	-	-
Personnel (wages pending payment)	9,010	-	-	-	-	-	-
Totals	2,070,104	48,951	-	-	-	12,167,834	12,216,785

Rupees							
Financial Liabilities	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Debts	21,422,303	3,669,856	-	-	-	-	3,669,856
Debts with Credit Institutions	19,548,203	3,295,231	-	-	-	-	3,295,231
Financial Lease Creditors	1,615,828	374,625	-	-	-	-	374,625
Other financial liabilities	258,347	-	-	-	-	-	-
Debts with Group and Associated Companies	118,488,736	-	-	-	-	912,222,515	912,222,515
Trade Creditors and other Accounts Payable	15,284,659	-	-	-	-	-	-
Suppliers	15,518,79	-	-	-	-	-	-
Sundry Creditors	14,593,660	-	-	-	-	-	-
Personnel (wages pending payment)	675,480	-	-	-	-	-	-
Totals	155,195,697	3,669,856	-	-	-	912,222,515	915,892,371

Information relating to the Profit and Loss Account and Equity9.3. Financial Expenses

The heading for financial expenses for debts with group and associated companies for the 2015/16 and 2014/15 financial years for the amounts of 172,304 Euros (12,917,631 Rupees) and 354,174 Euros (26,552,425 Rupees), respectively, correspond to the accrual of interest on loans granted by group companies. The heading of debts to third parties includes interest accrued with credit institutions, the amounts of which come to 4,954 Euros (371,401 Rupees) and 35,056 Euros (2,628,148 Rupees) for the 2015/16 and 2014/15 financial periods, respectively.

Other Information9.4. Reasonable Value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

9.5. Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9.6. Other Information about Financial Instruments

a) Debts with credit institutions show the following breakdown:

<u>Euros</u>	<u>2015/2016</u>	<u>2014/2015</u>
Personal secured loans	304,700	433,181
Leasing (Note 7.2)	26,550	39,037
Totals	331,250	472,218
<u>Rupees</u>	<u>2015/2016</u>	<u>2014/2015</u>
Personal secured loans	22,843,359	32,475,580
Leasing (Note 7.2)	1,990,454	2,926,604
Totals	24,833,813	35,402,183

b) The average interest rate of non-commercial debts fluctuates between 1 and 5 per cent per annum.

10. SHAREHOLDERS' EQUITY

10.1. The share capital, for an amount of 3,100 Euros (232,407 Rupees), comprises 31 shares of 100 Euros (7,497 Rupees) face value each.

10.2. As per the Revised Text of the Law of Share Capital Companies, a figure equal to 10% of the period's profit must be kept in a reserve fund until this reaches at least 20% of the share capital. During the 2011/12 financial period, 3,100 Euros (232,407 Rupees) were allocated to said reserves.

10.3. The Canary Islands Investments Reserve Fund for the amount of 4,322,921 Euros (324,089,387 Rupees), is subject to the availability limitations established in the tax regulations.

10.4. The corporation HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., owns 100 per cent of the share capital of the Company.

10.5. The breakdown of the heading "other reserves" from the Balance Sheet, is as follows:

Euros	2015/16	2014/15
Voluntary Reserves	708,441	798,840
Canary Islands Investment Reserves	4,322,921	4,322,921
Goodwill Reserves	361,599	271,199
Totals	5,392,960	5,392,960

Rupees	2015/16	2014/15
Voluntary Reserves	53,111,822	59,889,035
Canary Islands Investment Reserves	324,089,387	324,089,387
Goodwill Reserves	27,109,077	20,331,789
Totals	404,310,211	404,310,211

11. INVENTORIES

11.1. Inventories show the following break-down:

Euros	2015/2016	2014/2015
Merchandise in Stock, Angry Birds Theme Park	31,118	57,918
Unsold Weeks in Stock	7,662,905	7,362,607
Totals	7,694,024	7,420,524

Rupees	2015/2016	2014/2015
Merchandise in Stock, Angry Birds Theme Park	2,332,916	4,342,112
Unsold Weeks in Stock	574,487,988	551,974,647
Totals	576,820,979	556,316,684

11.2. The transactions of unsold weeks in stock during the 2014/15 year 2015/16 financial periods, have been as follows:

Euros	Balance 30.09.14	Acquisitions	Disposals	Balance 30.09.15
Unsold weeks in stock	7,236,900	632,416	(506,709)	7,362,607

Euros	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Unsold weeks in stock	7,362,607	676,833	(376,535)	7,662,905

Rupees	Balance 30.09.14	Acquisitions	Disposals	Balance 30.09.15
Unsold weeks in stock	542,550,393	47,412,228	(37,987,974)	551,974,647

Rupees	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Unsold weeks in stock	551,974,647	50,742,170	(28,228,829)	574,487,988

Acquisitions of inventory during the 2015/16 financial period owes to refurbishment carried out in one of the hotel complexes, to the weeks sold in previous financial periods and recovered in 2015/2016, due to defaulting on payment of clients of their debts to the Company or the related Company HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. for amounts reaching 190,000 Euros (14,244,300 Rupees) and 486,833 Euros (36,497,870 Rupees), respectively. Acquisitions of inventory during 2014/15 due to the same reasons mentioned before, for the amounts of 416,830 Euros (31,249,745 Rupees) and 207,264 Euros (15,538,582 Rupees), respectively and to a lesser extent for weeks purchased during the 2014/15 period later resold for the amount of 8,322 Euros (623,900 Rupees).

11.3. There are advance payments totalling 13,343 Euros (1,000,325 Rupees) and 6,977 Euros (523,066 Rupees) at the end of the 2015/16 and 2014/15 financial periods, respectively.

Except for what has been mentioned in the previous paragraph, there are neither firm commitments to buy or sell nor future contracts for the inventories or limitations to availability.

11.4. There are no signs of impairment to the inventories at the end of the financial periods 2014/15 and 2015/2016.

12. FOREIGN CURRENCY

12.1. Assets in foreign currency mostly correspond to commercial loans for the sale of weeks in stock. The most significant balances in the diverse foreign currencies are detailed below:

Foreign currency	Balance at 30.09.15	Exchange Rate at 30.09.15	Euros at 30.09.15	Rupees at 30.09.15
Pounds Sterling	450,815	0.74 pound/euro	609,209	45,672,399

Foreign currency	Balance at 31.03.16	Exchange Rate at 31.03.16	Euros at 31.03.16	Rupees at 31.03.16
Pounds Sterling	403,111	0.79 pound/euro	510,267	38,254,717

12.2. Transactions carried out in foreign currency during the 2015/16 and 2014/15 financial periods, correspond entirely to sales, reaching 425,364 Euros (31,889,539 Rupees) and 564,910 Euros (42,351,303 Rupees) respectively.

13. TAX POSITION

Profit Tax

13.1. Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VII of Royal Legislative Decree 4/2004, of 5 March, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U. and Holiday Club Canarias Resort Management, S.L.U.

13.2. Individual Tax Base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

Euros	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	(182,035)
Profit Tax	(108,522)

Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Current Tax	(113,084)	-
Deferred Tax	4,562	-
Permanent Differences		
Goodwill Deduction	(9,040)	-
Non-deductible Expenses	17,383	-
Temporary Differences		
70% Limit Amortization	(15,207)	-
Non-deductible Expenses	11,060	-
Tax Base (Tax Profit & Loss)	(286,360)	-

Rupees	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	(13,647,164)	-
Profit Tax	(8,135,894)	-
Current Tax	(8,477,907)	-
Deferred Tax	342,013	-
Permanent Differences		
Goodwill Deduction	(677,729)	-
Non-deductible Expenses	1,303,204	-
Temporary Differences		
70% Limit Amortization	(1,140,069)	-
Non-deductible Expenses	829,168	-
Tax Base (Tax Profit & Loss)	(21,468,409)	-

13.3. Corporate Tax Settlement

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions or deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Sales & Marketing, S.L.U., for a negative amount of 286,360 Euros (21,468,409 Rupees), are subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

By applying the tax rate over the tax base, you obtain the total tax due for the tax group which is reduced by the items and amounts expressed below:

Euros	2015/16	2014/15
Previous Group Tax Base	116,247	(1,029,232)
Negative Group Tax base from previous financial years	(116,247)	-
Group Tax Base	-	(1,029,232)
Corporate income tax payable (28-30% x taxable base)	-	(308,797)
Group Gross Tax payable	-	(308,797)

Rupees	2015/16	2014/15
Previous Group Tax Base	8,715,038	(77,161,523)
Negative Group Tax base from previous financial years	(8,715,038)	-
Group Tax Base	-	(77,161,523)
Corporate income tax payable (28-30% x taxable base)	-	(23,150,511)
Group Gross Tax payable	-	(23,150,511)

13.4. Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods is broken down as follows:

Euros	2015/16	2014/15
1. Current Tax	(113,084)	(217,685)
2. Deferred tax	4,562	(47,173)
- deductible temporary differences that are applied in the period	4,562	(47,173)
3. Total expenditure on income tax	(108,522)	(264,858)

Rupees	2015/16	2014/15
1. Current Tax	(8,477,907)	(16,319,844)
2. Deferred tax	342,013	(3,536,560)
- deductible temporary differences that are applied in the period	342,013	(3,536,560)
3. Total expenditure on income tax	(8,135,894)	(19,856,404)

13.5. Deferred Tax Asset

Transactions during the 2014/15 and 2015/16 financial periods found in this heading have been the following:

Euros	Balance 30.09.14	Acquisitions	Applications	Balance 30.09.15
- Temporary differences, 70% limit fiscal amortisation	44,267	47,173	-	91,440
Totals	44,267	47,173	-	91,440

Euros	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences, 70% limit fiscal amortisation	91,440	-	(4,562)	86,878
Totals	91,440	-	(4,562)	86,878

Rupees	Balance 30.09.14	Acquisitions	Applications	Balance 30.09.15
- Temporary differences, 70% limit fiscal amortisation	3,318,697	3,536,560	-	6,855,257
Totals	3,318,697	3,536,560	-	6,855,257

	Balance 30.09.15	Acquisitions	Applications	Balance 33.03.16
- Temporary differences, 70% limit fiscal amortisation	6,855,257	-	(342,013)	6,513,244
Totals	6,855,257	-	(342,013)	6,513,244

The tax base applied is 30%.

13.6. Deferred Tax Liabilities

The amount of 162,191 Euros (12,159,459 Rupees), corresponds to the tax effect of capital grants appearing in the Company's equity at March 31, 2016. The tax base applied is 30%.

13.7. The Canary Islands Investment Reserve

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial year 2015/2016, the situation of the Canary Islands Investment Reserve is as follows:

<u>Euros</u>			
Item	2011	2011/12	2012/13
Provisions	776,358	1,081,563	2,465,000
<u>Investments carried out</u>			
Financial Period 2011/11			
Financial Period 2011/12			
Financial Period 2012/13			
Financial Period 2013/14	(776,358)	(1,081,563)	(799,103)

The Company, during the Financial Period 2013/14, carried out the following Investments, materialising the Reserve in the following assets and on the indicated dates on the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

<u>Euros</u>								
Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	1,084,195	633,330	633,330	633,330	-	-
					633,330	633,330	-	-
21301001	ANGRY BIRDS ASSETS	01.11.2013	55,851	23,226	32,625	32,625	-	-
21301001	Machinery	12.06.2014	3,500		3,500	3,500	-	-
					36,125	36,125	-	-
21508001	ANGRY BIRDS ASSETS	01.11.2013	2,833,292	1,178,231	1,655,060	106,902	1,081,563	466,595
21508001	Other Facilities	21.11.2013	7,710	-	7,710	-	-	7,710
21508001	Other Facilities	01.02.2014	1,102	-	1,102	-	-	1,102
21508001	Other Facilities	01.02.2014	2,590	-	2,590	-	-	2,590
21508001	Other Facilities	18.02.2014	755	-	755	-	-	755
21508001	Other Facilities	26.02.2014	746	-	746	-	-	746
21508001	Other Facilities	08.04.2014	1,609	-	1,609	-	-	1,609
21508001	Other Facilities	07.05.2014	110	-	110	-	-	110
21508001	Other Facilities	09.05.2014	298	-	298	-	-	298
21508001	Other Facilities	09.05.2014	943	-	943	-	-	943

Euros

Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21508001	Other Facilities	14.05.2014	893	-	893	-	-	893
21508001	Other Facilities	19.05.2014	1,609	-	1,609	-	-	1,609
21508001	Other Facilities	20.05.2014	1,390	-	1,390	-	-	1,390
21508001	Other Facilities	21.05.2014	396	-	396	-	-	396
21508001	Other Facilities	31.05.2014	1,476	-	1,476	-	-	1,476
21508001	Other Facilities	31.05.2014	604	-	604	-	-	604
21508001	Other Facilities	05.06.2014	1,811	-	1,811	-	-	1,811
21508001	Other Facilities	06.06.2014	26	-	26	-	-	26
21508001	Other Facilities	06.06.2014	15	-	15	-	-	15
21508001	Other Facilities	06.06.2014	76	-	76	-	-	76
21508001	Other Facilities	01.08.2014	269	-	269	-	-	269
21508001	Other Facilities	01.08.2014	1,616	-	1,616	-	-	1,616
21508001	Other Facilities	01.08.2014	3,493	-	3,493	-	-	3,493
21508001	Other Facilities	08.08.2014	2,001	-	2,001	-	-	2,001
21508001	Other Facilities	01.09.2014	2,319	-	2,319	-	-	2,319
					1,688,918	106,902	1,081,563	500,453
21601002	ANGRY BIRDS ASSETS	01.11.2013	83,856	34,871,61	48,984	-	-	48,984
21601002	Furniture	19.11.2013	783	-	783	-	-	783
21601002	Furniture	19.11.2013	175	-	175	-	-	175
21601002	Furniture	01.03.2014	600	-	600	-	-	600
21601002	Furniture	01.04.2014	690	-	690	-	-	690
21601002	Furniture	15.04.2014	690	-	690	-	-	690
21601002	Furniture	31.05.2014	356	-	356	-	-	356
21601002	Furniture	01.06.2014	199	-	199	-	-	199
21601002	Furniture	01.06.2014	63	-	63	-	-	63
21601002	Furniture	01.06.2014	175	-	175	-	-	175
21601002	Furniture	01.06.2014	1,142	-	1,142	-	-	1,142
21601002	Furniture	29.06.2014	814	-	814	-	-	814
					54,670	-	-	54,670
21701001	IT Equipment	26.10.2013	1,347	-	1,347	-	-	1,346
21701001	IT Equipment	04.12.2013	768	-	768	-	-	768
21701001	IT Equipment	04.12.2013	749	-	749	-	-	749
21701001	IT Equipment	04.12.2013	14,176	-	14,176	-	-	14,176
21701002	IT Equipment	11.10.2013	1,224	-	1,224	-	-	1,224
					18,264	-	-	18,264
21801001	Vehicles	10.09.2014	19,509	-	19,509	-	-	19,509
21801001	Vehicles	12.09.2014	285	-	285	-	-	285
					19,794	-	-	19,794
21901008	Other Tangible Fixed Assets	01.12.2013	1,400	-	1,400	-	-	1,400
21901008	Other Tangible Fixed Assets	16.09.2014	64	-	64	-	-	64
21901008	Other Tangible Fixed Assets	16.09.2014	2,500	-	2,500	-	-	2,500
21901008	Other Tangible Fixed Assets	17.09.2014	64	-	64	-	-	64
					4,029	-	-	4,029

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Rupees								
Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	81,282,099	47,480,750	47,480,750	47,480,750	-	-
					47,480,750	47,480,750	-	-
21301001	ANGRY BIRDS ASSETS	01.11.2013	4,187,149	1,741,253	2,445,896	2,445,896	-	-
21301001	Machinery	12.06.2014	262,395		262,395	262,395	-	-
					2,708,291	2,708,291	-	-
21508001	ANGRY BIRDS ASSETS	01.11.2013	212,411,901	88,331,978	124,079,848	8,014,443	81,084,778	34,980,627
21508001	Other Facilities	21.11.2013	578,019	-	578,019	-	-	578,019
21508001	Other Facilities	01.02.2014	82,617	-	82,617	-	-	82,617
21508001	Other Facilities	01.02.2014	194,172	-	194,172	-	-	194,172
21508001	Other Facilities	18.02.2014	56,602	-	56,602	-	-	56,602
21508001	Other Facilities	26.02.2014	55,928	-	55,928	-	-	55,928
21508001	Other Facilities	08.04.2014	120,627	-	120,627	-	-	120,627
21508001	Other Facilities	07.05.2014	8,247	-	8,247	-	-	8,247
21508001	Other Facilities	09.05.2014	22,341	-	22,341	-	-	22,341
21508001	Other Facilities	09.05.2014	70,697	-	70,697	-	-	70,697
21508001	Other Facilities	14.05.2014	66,948	-	66,948	-	-	66,948
21508001	Other Facilities	19.05.2014	120,627	-	120,627	-	-	120,627
21508001	Other Facilities	20.05.2014	104,208	-	104,208	-	-	104,208
21508001	Other Facilities	21.05.2014	29,688	-	29,688	-	-	29,688
21508001	Other Facilities	31.05.2014	110,656	-	110,656	-	-	110,656
21508001	Other Facilities	31.05.2014	45,282	-	45,282	-	-	45,282
21508001	Other Facilities	05.06.2014	135,771	-	135,771	-	-	135,771
21508001	Other Facilities	06.06.2014	1,949	-	1,949	-	-	1,949
21508001	Other Facilities	06.06.2014	1,125	-	1,125	-	-	1,125
21508001	Other Facilities	06.06.2014	5,698	-	5,698	-	-	5,698
21508001	Other Facilities	01.08.2014	20,167	-	20,167	-	-	20,167
21508001	Other Facilities	01.08.2014	121,152	-	121,152	-	-	121,152
21508001	Other Facilities	01.08.2014	261,870	-	261,870	-	-	261,870
21508001	Other Facilities	08.08.2014	150,015	-	150,015	-	-	150,015
21508001	Other Facilities	01.09.2014	173,855	-	173,855	-	-	173,855
					126,618,182	8,014,443	81,084,778	37,518,961
21601002	ANGRY BIRDS ASSETS	01.11.2013	6,286,684	2,614,325	3,672,330	-	-	3,672,330
21601002	Furniture	19.11.2013	58,702	-	58,702	-	-	58,702
21601002	Furniture	19.11.2013	13,120	-	13,120	-	-	13,120
21601002	Furniture	01.03.2014	44,982	-	44,982	-	-	44,982
21601002	Furniture	01.04.2014	51,729	-	51,729	-	-	51,729
21601002	Furniture	15.04.2014	51,729	-	51,729	-	-	51,729
21601002	Furniture	31.05.2014	26,689	-	26,689	-	-	26,689
21601002	Furniture	01.06.2014	14,919	-	14,919	-	-	14,919
21601002	Furniture	01.06.2014	4,723	-	4,723	-	-	4,723
21601002	Furniture	01.06.2014	13,120	-	13,120	-	-	13,120
21601002	Furniture	01.06.2014	85,616	-	85,616	-	-	85,616
21601002	Furniture	29.06.2014	61,026	-	61,026	-	-	61,026
					4,098,610	-	-	4,098,610

Rupees

Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21701001	IT Equipment	26.10.2013	100,985	-	100,985	-	-	100,910
21701001	IT Equipment	04.12.2013	57,577	-	57,577	-	-	57,577
21701001	IT Equipment	04.12.2013	56,153	-	56,153	-	-	56,153
21701001	IT Equipment	04.12.2013	1,062,775	-	1,062,775	-	-	1,062,775
21701002	IT Equipment	11.10.2013	91,763	-	91,763	-	-	91,763
					1,369,252	-	-	1,369,252
21801001	Vehicles	10.09.2014	1,462,590	-	1,462,590	-	-	1,462,590
21801001	Vehicles	12.09.2014	21,366	-	21,366	-	-	21,366
					1,483,956	-	-	1,483,956
21901008	Other Tangible Fixed Assets	01.12.2013	104,958	-	104,958	-	-	104,958
21901008	Other Tangible Fixed Assets	16.09.2014	4,798	-	4,798	-	-	4,798
21901008	Other Tangible Fixed Assets	16.09.2014	187,425	-	187,425	-	-	187,425
21901008	Other Tangible Fixed Assets	17.09.2014	4,798	-	4,798	-	-	4,798
					302,054	-	-	302,054

Also, at the time of the initial investment relating to the opening of the Angry Birds Park, the creation of jobs occurred, which caused an increase of the total average number of employees. This has resulted in the materialization of the reserve in the creation of jobs, which, as indicated in the Report for the 2013/2014 Financial Period, amounted to 201,892 Euros (15,135,843 Rupees).

During the financial period 2014/2015, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition Amount	Amount materialised	Provision 2012/2013
21601002	Furniture	28.02.2015	220	220	220
21601002	Furniture	28.02.2015	715	715	715
21601002	Furniture	12.03.2015	298	298	298
21601002	Furniture	19.03.2015	1,060	1,060	1,060
21601002	Furniture	19.03.2015	60	60	60
21601002	Furniture	30.04.2015	2,373	2,373	2,373
21601002	Furniture	30.09.2015	571	571	571
	Furniture		5,297	5,297	5,297
21701001	IT Equipment	31.10.2014	784	784	784
21701001	IT Equipment	31.10.2014	645	645	645
21701001	IT Equipment	30.11.2014	2,311	2,311	2,311
	IT Equipment		3,740	3,740	3,740

Rupees

Account	Item	Acquisition Date	Acquisition Amount	Amount materialised	Provision 2012/2013
21601002	Furniture	28.02.2015	164,934	164,934	164,934
21601002	Furniture	28.02.2015	5,360,355	5,360,355	5,360,355
21601002	Furniture	12.03.2015	2,234,106	2,234,106	2,234,106
21601002	Furniture	19.03.2015	79,468	79,468	79,468
21601002	Furniture	19.03.2015	44,982	44,982	44,982
21601002	Furniture	30.04.2015	177,904	177,904	177,904

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Rupees

Account	Item	Acquisition Date	Acquisition Amount	Amount materialised	Provision 2012/2013
21601002	Furniture	30.09.2015	4,280,787	4,280,787	4,280,787
	Furniture		397,116	397,116	397,116
21701001	IT Equipment	31.10.2014	5,877,648	5,877,648	5,877,648
21701001	IT Equipment	31.10.2014	4,835,565	4,835,565	4,835,565
21701001	IT Equipment	30.11.2014	173,256	173,256	173,256
	IT Equipment		280,388	280,388	280,388

Furthermore, on the occasion of the initial investment for the launch of the Angry Birds Park on November 1, 2013, jobs have been created which have determined an increase of the average total number of staff. This has resulted in the realization of the reserve due to the creation of jobs.

In particular, the increase to the average amount of staff pursuant to Article 27.4.C of Law 19/1994, July 6 and Article 10 of the Royal Decree of 1758/2007, was 10,56 employees.

During the financial period 2014/2015, the amount of 24,136 Euros (1,809,476 Rupees) is the average cost of the gross wages and compulsory social contributions of employees connected to the Park. Consequently, in accordance with Article 27.6 of Law 19/1994, the materialization of the reserve due to the increase of the number of employees at the initial investment, is 254,879 Euros (19,108,279 Rupees).

This investment, due to the creation of jobs materializes part of the reserve allocated in the Financial Period 2012/2013.

During the financial period 2015/2016, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.10.2015	6,898	6,898	6,898
21601002	Furniture	31.10.2015	320	320	320
	Furniture		7,218	7,218	7,218
21701002	IT Equipment	25.11.2015	749	749	749
21701002	IT Equipment	30.11.2015	460	460	460
	IT Equipment		1,209	1,209	1,209
21508001	Other facilities	29.02.2016	1,260	1,260	1,260
21508001	Other facilities	29.02.2016	355	355	355
	Other facilities		1,615	1,615	1,615
20601001	IT applications	01.03.2016	3,816	3,816	3,816
	IT applications		3,816	3,816	3,816

Rupees

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.10.2015	517,143	517,143	517,143
21601002	Furniture	31.10.2015	23,990	23,990	23,990
	Furniture		541,133	541,133	541,133
21701002	IT Equipment	25.11.2015	56,153	56,153	56,153
21701002	IT Equipment	30.11.2015	34,486	34,486	34,486
	IT Equipment		90,639	90,639	90,639
21508001	Other facilities	29.02.2016	94,462	94,462	94,462
21508001	Other facilities	29.02.2016	26,614	26,614	26,614
	Other facilities		121,077	121,077	121,077
20601001	IT applications	01.03.2016	286,086	286,086	286,086
	IT applications		286,086	286,086	286,086

Finally, it must be reported that the Company has not carried out investments prior the provision and it has not been benefited from any other tax benefit accrued at the time of the Investments made as a result of the realization of the RIC.

13.8. Financial Periods Open to the Possibility of a Tax Inspection

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes have been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

14. INCOMES AND EXPENSES**14.1. Breakdown of the following items in the Profit and Loss Account:**

4.a) Consumption of goods: corresponding to the cost of the acquired weeks and with purchases of merchandise and merchandising for the Theme Park. The amounts are as follows:

Euros	2015/16	2014/15
Cost of weeks acquired	–	8,322
Merchandise purchased Theme Park	85,180	298,647
Change in Inventory merchandise Theme park	26,800	(126,337)
Totals	111,980	180,632

Rupees	2015/16	2014/15
Cost of weeks acquired	–	623,900
Merchandise purchased Theme Park	6,385,945	22,389,566
Change in Inventory merchandise Theme park	2,009,196	(9,471,485)
Totals	8,395,141	13,541,981

The purchase of acquired weeks has been carried out in Spanish territory and the theme park merchandise has been purchased from members countries of the European Union.

6.b) Social security: corresponds entirely with the business contribution whose amount totalled 351,418 euros (26,345,807 Rupees) and 747,827 Euros (56,064,590 Rupees) for the Financial Periods 2015/16 and 2014/15, respectively.

7.a) External Services:

Euros	2015/16	2014/15
Leases and Charges	259,172	660,028
Repair and Maintenance	1,448,362	2,059,084
Independent Professional Services	939,466	1,526,450
Transport	110,915	197,912
Insurance	13,137	23,062
Bank Services and Similar	18,550	26,916
Publicity, Advertising and Public Relations	377,890	681,533
Supplies	95,595	133,310
Other Services	82,413	138,238
Totals	3,345,499	5,446,534

Rupees	2015/16	2014/15
Leases and Charges	19,430,125	49,482,299
Repair and Maintenance	108,583,699	154,369,527

Rupees	2015/16	2014/15
Independent Professional Services	70,431,766	114,437,957
Transport	8,315,298	14,837,463
Insurance	984,881	1,728,958
Bank Services and Similar	1,390,694	2,017,893
Publicity, Advertising and Public Relations	28,330,413	51,094,529
Supplies	7,166,757	9,994,251
Other Services	6,178,503	10,363,703
Totals	250,812,060	408,326,654

7.c) Losses on, impairment of and change in trade provisions:

Euros	2015/16	2014/15
Losses from bad debts	486,718	673,570
Trade Provision	322,523	1,207,262
Excess Trade Provision	(486,718)	(660,000)
Provision packs	–	49,040
Provision Sales-persons' commissions	33,892	(50,951)
Other provisions	54,898	111,090
Totals	411,313	1,330,011

Rupees	2015/16	2014/15
Losses from bad debts	36,489,248	50,497,543
Trade Provision	24,179,549	90,508,432
Excess Trade Provision	(36,489,248)	(49,480,200)
Provision packs	–	3,676,529
Provision Sales-persons' commissions	2,540,883	(3,819,796)
Other provisions	4,115,703	8,328,417
Totals	30,836,136	99,710,925

14.2. "Other results": these correspond to the net of Profit & Loss that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently.

15. PROVISIONS AND CONTINGENCIES**Provisions**

15.1. These correspond to the accrual of commissions pending payment to sales staff, the cost of the accommodation of packs and provisions for the cancellation of sales. The balance at the close of the financial year 2015/16 and 2014/15 amounts 645,660 euros (48,405,130 Rupees) and 556,871 Euros (41,748,619 Rupees), respectively.

Contingencies

15.2. There are guarantees provided by one of the group Companies, to respond to a loan granted by a financial institution, amounting to 518,142 Euros (38,845,106 Rupees) (see Note 19.3).

16. ENVIRONMENTAL INFORMATION

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific break-downs are included in this report.

17. GRANTS, DONATIONS AND BEQUESTS

17.1. On June 24, 2014 a grant was given by the Ministry of Finance and other Public Administrations for the investment Project in the Angry Birds Theme Park, for the amount of 870,213 Euros (65,239,869 Rupees).

17.2. Variations in the capital grant during the financial years 2014/15 and 2015/16 are as follows:

Euros	Balance 30.09.14	Acquisitions	Transfer to results	Balance 30.09.15
Capital Grant	786,216	-	(91,633)	694,583
Tax Effect	(235,865)	-	27,490	(208,375)
Totals	550,351	-	(64,143)	486,208

	Balance 30.09.15	Acquisitions	Transfer to results	Tax rate change	Balance 31.03.16
Capital Grant	694,583	-	(45,817)	-	648,766
Tax Effect	(208,375)	-	13,363	32,820	(162,191)
Totals	486,208	-	(32,454)	32,820	486,574

Rupees	Balance 30.09.14	Acquisitions	Transfer to results	Balance 30.09.15
Capital Grant	58,942,614	-	(6,869,726)	52,072,888
Tax Effect	(17,682,799)	-	2,060,925	(15,621,874)
Totals	41,259,814	-	(4,808,801)	36,451,014

	Balance 30.09.15	Acquisitions	Transfer to results	Tax rate change	Balance 31.03.16
Capital Grant	52,072,888	-	(3,434,900)	-	48,637,987
Tax Effect	(15,621,874)	-	1,001,824	2,460,515	(12,159,459)
Totals	36,451,014	-	(2,433,076)	2,460,515	36,478,453

18. EVENTS AFTER THE CLOSING OF THE YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

19. TRANSACTIONS BETWEEN RELATED PARTIES

19.1. Regarding the Managing Board and Key Company Staff

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.
- Ms. Unn Tove Saetran, Sales Manager.
- Ms. Maria del Carmen Meinster, Publicity Services Manager.

Remuneration paid to managers and key personnel of the company, during the financial period 2015/16, in their status as employees of the company, amounts to 102,715 Euros (7,700,543 Rupees) and in the financial period 2014/2015, 221.192 Euros (16,582,764 Rupees).

On the Balance Sheet there is a current account with partners and administrators at March 31, 2016, that amounts 3,264 euros (244,702 Rupees) and in the financial period 2014/2015, 2,530 euros (189,674 Rupees).

19.2. Information required by Article 229 Of the Corporate Enterprises Act

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been

subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 17 July, that amended Law 24/1988, of July 28, in which the market values and the text revised from the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 19.1.

19.3. Transactions and Balances with Group companies:

The transactions carried out with Group companies during the Financial periods 2014/15 and 2015/16, are the following:

Euros	2014/15		
	Financial Expenses	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	2,327,749	160,073
Holiday Club Resort OY	-	289,712	252,965
Holiday Club Sweden AB	354,174	2,761	69,289
Totals	354,174	2,620,222	482,328

Euros	2015/16		
	Financial Expenditures	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	2,144,102	87,563
Holiday Club Resort OY	-	227,256	235,591
Holiday Club Sweden AB	172,304	2,169	-
Totals	172,304	2,373,528	323,154

Rupees	2014/15		
	Financial Expenses	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	174,511,342	12,000,673
Holiday Club Resort OY	-	21,719,709	18,964,786
Holiday Club Sweden AB	26,552,425	206,992	5,194,596
Totals	26,552,425	196,438,043	36,160,055

Rupees	2015/16		
	Financial Expenditures	Services received	Services rendered
Company			
Holiday Club Canarias Resort Management, S.L.U.	-	160,743,327	6,564,598
Holiday Club Resort OY	-	17,037,382	17,662,257
Holiday Club Sweden AB	12,917,631	162,610	-
Totals	12,917,631	177,943,319	24,226,855

The transactions between the Group companies were performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2015/16 and 2014/15, both short-term and long-term, at the close of the Financial Periods are:

Euros	2015/2016		2014/2015	
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances
Holiday Club Canarias Resort Management, S.L.U.	-	448,950	1,236,463	71,993
Holiday Club Canarias Investment, S.L.U.	816,777	-	802,854	100,000
Holiday Club Resort OY	18,263	-	-	140,326
Holiday Club Sweden AB	-	13,299,365	-	14,074,479
Totals	835,040	13,748,315	2,039,318	14,386,799

Rupees	2015/2016		2014/2015	
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances
Holiday Club Canarias Resort Management, S.L.U.	-	33,657,782	92,697,631	5,397,315
Holiday Club Canarias Investment, S.L.U.	61,233,772	-	60,189,964	7,497,000
Holiday Club Resort OY	1,369,177	-	-	10,520,240
Holiday Club Sweden AB	-	997,053,394	-	1,055,163,691
Totals	62,602,949	1,030,711,176	152,887,670	1,078,578,321

The Company is backed by the Group Company Holiday Club Canarias Resort Management, S.L.U., to respond to a loan granted by a financial institution, amounting to 518,142 Euros (38,845,106 Rupees) (see Note 15.2).

20. OTHER INFORMATION

20.1. Companies subject to the same unit of decision

The Company shows the largest assets in the group of companies subject to the same decision-making units, headquartered in Spain. The companies are the following ones:

- Holiday Club Canarias Investment, S.L.U.: Parent Company of the Group
- Holiday Club Canarias Sales & Marketing, S.L.U.: Subsidiary and with the highest assets.
- Holiday Club Canarias Resort Management, S.L.U.: Subsidiary.

Aggregate amounts of said companies are as follows:

Euros	2015/16	2014/15
ASSETS		
Non-current Assets	10,192,461	10,426,673
Current Assets	18,167,717	18,204,629
Total	28,360,178	28,631,303
EQUITY AND LIABILITIES		
Equity	6,607,897	6,517,230
Non-current Liabilities	12,687,560	13,926,968

Euros	2015/16	2014/15
Current Liabilities	9,064,721	8,187,105
Total	28,360,178	28,631,303

PROFIT & LOSS

Turnover	7,708,321	14,152,257
Results (Profit/Loss)	90,300	(1,139,407)

Rupees	2015/16	2014/15
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ASSETS

Non-current Assets	764,128,801	781,687,675
Current Assets	1,362,033,743	1,364,801,036

Total	2,126,162,545	2,146,488,786
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EQUITY AND LIABILITIES

Equity	495,394,038	488,596,733
Non-current Liabilities	951,186,373	1,044,104,791
Current Liabilities	679,582,133	613,787,262

Total	2,126,162,545	2,146,488,786
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PROFIT & LOSS

Turnover	577,892,825	1,060,994,707
Results (Profit/Loss)	6,769,791	(85,421,343)

20.2. Number of Employees

The average number of persons employed by the Company during the financial periods 2015/16 and 2014/15, distributed by their professional categories, has been the following:

	Persons	
	2015/16	2014/15
Executives and Administrative Staff	22,79	25,70
Sales Managers	-	1,19
Sales and Collections Staff	44,46	39,95
Others	23,09	27,47
Totals	90,34	94,32

The distribution by gender at the end of the financial periods 2015/16 and 2014/15 is the following:

	2015/16		2014/15	
	Men	Women	Men	Women
Executives and Administrative Staff	11	12	8	14
Sales Managers	-	-	2	-
Sales and Collections Staff	31	18	19	11
Others	17	11	16	8
Totals	59	41	45	33

20.3. Auditors' Fees

The fees for the audit of annual accounts amount to 10,590 Euros (793,932 Rupees) and 5,252 Euros (393,742 Rupees) for the Financial Periods 2015/16 and 2014/15 respectively.

21. SEGMENT REPORTING

The Company's business has been carried out entirely within the geographical area of the Canary Islands.

Euros	2015/16	2014/15
Sale of weeks and packs	4,313,469	7,133,097
Angry Birds Theme Park income	568,392	1,047,211
Other income	322,971	991,616
Totals	5,204,832	9,171,924

Rupees	2015/16	2014/15
Sale of weeks and packs	323,380,771	534,768,282
Angry Birds Theme Park income	42,612,348	78,509,409
Other income	24,213,136	74,341,452
Totals	390,206,255	687,619,142

22. INFORMATION ABOUT DEFERRAL PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL REGULATION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

	2015/16
	Days
Payment Ratio	45
Outstanding payment Ratio	30
Average period for payment to suppliers	43
	Euro/Rupees
Total payments in the period	1,796,437/134,678,881
Total outstanding payments	194,128/14,553,776

In Mogán, on April 18, 2016

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in the management of five resorts and the lease of commercial premises at those resorts.

The Company's Resort property located at Mogán, Gran Canaria, Spain, was fully operational.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of Euro 2,503,489 (INR 187,686,570) and made profit Euro 273,598 (INR 20,511,642).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Calvin Stuart Lucock
- 2) Holiday Club Resorts Oy

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Canarias Investment S.L.U. and in turn subsidiary Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Holiday Club Canarias Resort Management S.L.U.

Calvin Stuart Lucock
Director

Holiday Club Resorts Oy
Director represented by
Calvin Stuart Lucock

Place : Gran Canaria, Mogán
Dated : April 18, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Translation of a report originally in Spanish based on our work performed in accordance with the audit regulations in force in Spain and prepared in accordance with the regulatory financial reporting framework applicable to the company in Spain (see Note 2). In the event of a discrepancy, the Spanish language version prevails.

To the shareholder of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU:

Report on the Financial Statements

We have audited the accompanying financial statements of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU ("the company"), which comprise the balance sheet as at 31st March 2016, and the income statement, statement of cash flows and notes to the financial statements for the year then ended.

Director's Responsibility for the Financial Statements

The Director is responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU in accordance with Financial Reporting Standards applicable to the company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations 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 disclosures in the financial statements. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Company's director of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the accompanying financial statements presents fairly, in all material respects, the equity and financial position of HOLIDAY CLUB CANARIA RESORT MANAGEMENT, SLU as at 31st March 2016, and its results and its cash flows for the year then ended in accordance with Financial Reporting Standards, as applicable to the Company in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying director's report for 2015-2016 contains the explanations which the company's directors consider appropriate about the company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2015-2016. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU.

Javier ALVAREZ CABRERA (n° ROAC: 16.092)
RSM SPAIN AUDITORES, SLP (n° ROAC: S2158)

Place: In Las Palmas de Gran Canaria
Date: 19th April, 2016

BALANCE AT MARCH 31, 2016

ASSETS	Notes	(Euros) 2015/16	(Rupees) 2015/16	(Euros) 2014/15	(Rupees) 2014/15
A) NON-CURRENT ASSETS					
I. Intangible Assets	5	1,700,000	127,449,000	1,700,000	127,449,000
4. Goodwill		1,700,000	127,449,000	1,700,000	127,449,000
II. Fixed Assets	6	2,605,522	195,335,984	2,579,204	193,362,924
1. Property and Buildings		2,346,015	175,880,745	2,341,281	175,525,837
2. Technical Facilities and other Fixed Assets		248,478	18,628,396	237,923	17,837,087
3. Advances and fixed assets in progress		11,030	826,919	-	-
III. Real Estate Investments	7	774,408	58,057,368	781,786	58,610,496
2. Construction/Buildings		774,408	58,057,368	781,786	58,610,496
VI. Deferred Tax Assets	11	49,392	3,702,918	43,129	3,233,381
TOTAL A		5,129,323	384,545,345	5,104,119	382,655,801
B) LIQUID ASSETS					
II. Inventories		4,343	325,595	10,099	757,122
6. Advance payments to suppliers		4,343	325,595	10,099	757,122
III. Commercial debtors and other accounts receivables		1,842,781	138,153,292	2,259,851	169,421,029
1. Trade receivables		1,803,711	135,224,214	2,212,723	165,887,843
a) <i>Trade receivables/long term</i>	8	139,947	10,491,827	180,660	13,544,080
b) <i>Trade receivables/short term</i>	8	1,663,764	124,732,387	2,032,063	152,343,763
3. Other debtors	8	39,053	2,927,803	47,110	3,531,837
6. Other receivables from Public Administrations		17	1,274	17	1,274
IV. Short-term Investments in affiliated group and associated companies	8-17	513,745	38,515,463	86,789	6,506,571
2. Loans to companies		513,745	38,515,463	86,789	6,506,571
VI. Short term accruals		26,321	1,973,285	26,707	2,002,224
VII. Cash and other equivalent liquid assets	8	1,150,278	86,236,342	234,802	17,603,106
1. Liquid assets		1,150,278	86,236,342	234,802	17,603,106
TOTAL B		3,537,468	265,203,976	2,618,248	196,290,053
TOTAL ASSETS (A + B)		8,666,792	649,749,396	7,722,368	578,945,929

BALANCE AT MARCH 31, 2016

NET WORTH AND LIABILITIES		Notes	(Euros) 2015/16	(Rupees) 2015/16	(Euros) 2014/15	(Rupees) 2014/15
A) TOTAL EQUITY						
A-1) EQUITY						
I. Capital						
1. Shared Capital						
III. Reserves						
1. Legal and statutory						
2. Other reserves						
V. Profit & Loss from previous Periods						
2. (Losses from previous Periods)						
VII. Profits for the Period						
TOTAL A						
B) NON CURRENT LIABILITIES						
II. Long-term Debts						
2. Debts to Loan Institutions						
5. Other financial liabilities						
TOTAL B						
C) CURRENT LIABILITIES						
II. Short-term provisions						
III. Short-term debts						
2. Debts to Loan Institutions						
5. Other financial liabilities						
IV. Short-term Debts with Group and Associated Companies						
V. Trade Creditors and other Accounts payable						
3. Sundry Creditors						
4. Staff (salaries pending payment)						
6. Other debts with Public Administrations						
VI. Short-term accruals						
TOTAL C						
TOTAL NET WORTH AND LIABILITIES (A + B + C)						

PROFIT AND LOSS ACCOUNTS AT MARCH 31, 2016

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) CONTINUING OPERATIONS					
1. Turnover	19	2,503,489	187,686,570	4,980,333	373,375,565
b) Services rendered		2,503,489	187,686,570	4,980,333	373,375,565
3. Self-constructed assets		-	-	17,395	1,304,103
4. Supplies	13	(52,729)	(3,953,093)	(112,086)	(8,403,087)
a) Consumption of merchandise		(52,729)	(3,953,093)	(112,086)	(8,403,087)
5. Other operations income	7	66,757	5,004,772	98,604	7,392,342
a) Accessory income and other current operations		66,757	5,004,772	98,604	7,392,342
6. Personnel expenses		(1,089,449)	(81,675,992)	(2,219,623)	(166,405,136)
a) Wages, salaries and similar		(870,036)	(65,226,599)	(1,739,048)	(130,376,429)
b) Social Security contributions	13	(219,413)	(16,449,393)	(480,575)	(36,028,708)
7. Other operating expenses		(994,663)	(74,569,885)	(1,875,661)	(140,618,305)
a) Outsourced services	13	(805,625)	(60,397,706)	(1,450,582)	(108,750,133)
b) Taxes		(79,914)	(5,991,153)	(156,541)	(11,735,879)
c) Losses, impairment and variation of supplies from trade op.	13	(109,124)	(8,181,026)	(268,262)	(20,111,602)
d) Other current operating expenses		-	-	(277)	(20,767)
8. Depreciation of fixed assets	6-7	(70,598)	(5,292,732)	(122,993)	(9,220,785)
13. Other incomes and expenses	13	(6,097)	(457,092)	(779)	(58,402)
A.1.) Operating Income (Profit)		356,709	26,742,474	765,190	57,366,294
14. Financial Income	8	28,323	2,123,375	24,614	1,845,312
b) Trade securities and other equity instruments		28,323	2,123,375	24,614	1,845,312
b 2) Third Parties		28,323	2,123,375	24,614	1,845,312
15. Financial expenses		(5,198)	(389,694)	(21,180)	(1,587,865)
a) For debts with group and associated Companies	9-17	-	-	(15,547)	(1,165,559)
b) Debts with Third Parties		(5,198)	(389,694)	(5,634)	(422,381)
17. Exchange differences	12	585	43,857	59	4,423
A.2) FINANCIAL PROFIT & LOSS (PROFIT)		23,709	1,777,464	3,492	261,795
A.3) PROFIT BEFORE TAXES (PROFIT)		380,418	28,519,937	768,682	57,628,090
19. Corporate Income Tax	11	(106,821)	(8,008,370)	(229,805)	(17,228,481)
A.5) RESULTADO DEL EJERCICIO (BENEFICIO) PROFIT & LOSS IN THE PERIOD (PROFIT)		273,598	20,511,642	538,878	40,399,684

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2016

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) STATEMENT OF RECOGNISED PROFIT AND LOSS					
A) PROFIT AND LOSS ACCOUNT	3	273,598	20,511,642	538,878	40,399,684
TOTAL OF RECOGNISED PROFIT AND LOSS (A)		273,598	20,511,642	538,878	40,399,684

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2016 (euros)

ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Current Year's Profit & Loss	TOTAL
B) COMPLETE STATEMENT OF CHANGES TO EQUITY					
A. FINAL BALANCE YEAR 2013/14	3,100	1,564,094	(236,134)	610,152	1,941,212
B. ADJUSTED BALANCE BEGINNING 2014/15	3,100	1,564,094	(236,134)	610,152	1,941,212
I. Total recognised Profit & Loss	–	–	–	538,878	538,878
III. Other variations to Equity	–	610,152	–	(610,152)	–
C. FINAL BALANCE 2014/15	3,100	2,174,246	(236,134)	538,878	2,480,089
D. ADJUSTED BALANCE, BEGINNING 2015/16	3,100	2,174,246	(236,134)	538,878	2,480,089
I. Total recognised incomes and expenses	–	–	–	273,598	273,598
III. Other changes to Equity	–	538,878	–	(538,878)	–
E. FINAL BALANCE 2015/16	3,100	2,713,123	(236,134)	273,598	2,753,687

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2016 (Rupees)

ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Current Year's Profit & Loss	TOTAL
B) COMPLETE STATEMENT OF CHANGES TO EQUITY					
A. FINAL BALANCE YEAR 2013/14	232,407	117,260,127	(17,702,966)	45,743,095	145,532,664
B. ADJUSTED BALANCE BEGINNING 2014/15	232,407	117,260,127	(17,702,966)	45,743,095	145,532,664
I. Total recognised Profit & Loss	–	–	–	40,399,684	40,399,684
III. Other variations to Equity	–	45,743,095	–	(45,743,095)	–
C. FINAL BALANCE 2014/15	232,407	163,003,223	(17,702,966)	40,399,684	185,932,272
D. ADJUSTED BALANCE, BEGINNING 2015/16	232,407	163,003,223	(17,702,966)	40,399,684	185,932,272
I. Total recognised incomes and expenses	–	–	–	20,511,642	20,511,642
III. Other changes to Equity	–	40,399,684	–	(40,399,684)	–
E. FINAL BALANCE 2015/16	232,407	203,402,831	(17,702,966)	20,511,642	206,443,914

CASH FLOW STATEMENT AT MARCH 31, 2016

ITEMS	Notes	(Euros)	(Rupees)	(Euros)	(Rupees)
		2015/16	2015/16	2014/15	2014/15
A) CASH FLOW FROM OPERATING ACTIVITIES					
1. PROFIT & LOSS BEFORE TAXES		380,418	28,519,937	768,682	57,628,090
2. ADJUSTMENTS TO PROFIT & LOSS		76,852	5,761,594	56,595	4,242,927
a) Depreciation of Fixed Assets	6-7	70,598	5,292,732	122,993	9,220,785
c) Change to provisions		29,378	2,202,469	(62,965)	(4,720,486)
g) Financial Incomes	8	(28,323)	(2,123,375)	(24,614)	(1,845,312)
h) Financial Expenses		5,198	389,694	21,180	1,587,865
3. CHANGES IN WORKING CAPITAL		2,288,006	171,531,810	(62,778)	(4,706,467)
a) Inventories		5,757	431,602	(1,083)	(81,193)
b) Trade and other accounts receivable		417,069	31,267,663	(972,218)	(72,887,183)
c) Other current assets		386	28,938	(12,685)	(950,994)
d) Creditors and other accounts payable		(572,667)	(42,932,845)	883,824	66,260,285
e) Other current liabilities		2,437,460	182,736,376	39,384	2,952,618
4. OTHER CASH FLOW FROM OPERATING ACTIVITIES		23,124	1,733,606	3,433	257,372
a) Interest payments		(5,198)	(389,694)	(21,180)	(1,587,865)
c) Interest receivable		28,323	2,123,375	24,614	1,845,312
5. CASH FLOW ON OPERATING ACTIVITIES		2,768,400	207,546,948	765,932	57,421,922
B) CASH FLOW FROM INVESTMENT ACTIVITIES					
6. PAYMENTS FOR INVESTMENTS		(516,495)	(38,721,630)	(205,763)	(15,426,052)
a) Group and Associated Companies		(426,956)	(32,008,891)	(14,280)	(1,070,572)
c) Fixed Assets	6	(89,539)	(6,712,739)	(191,483)	(14,355,481)
7. DIVESTMENT RECEIPTS		-	-	6,475	485,431
a) Group and Associated Companies		-	-	282	21,142
c) Fixed Assets		-	-	6,193	464,289
8. CASH FLOWS FROM INVESTMENT ACTIVITIES		(516,495)	(38,721,630)	(199,288)	(14,940,621)
C) CASH FLOWS FROM FINANCING ACTIVITIES					
10. RECEIVABLES AND PAYABLES FOR FINANCIAL LIABILITIES		(1,336,428)	(100,192,007)	(498,173)	(37,348,030)
a) Issue		2,139	160,361	762,348	57,153,230
2. Amounts owed to credit institutions		-	-	750,000	56,227,500
4. Other debts		2,139	160,361	12,348	925,730
b) Repayment and amortization		(1,338,567)	(100,352,368)	(1,260,521)	(94,501,259)
2. Debts with credit institutions		(123,056)	(9,225,508)	(81,486)	(6,109,005)
3. Debts with Group and Associated Companies		(1,215,512)	(91,126,935)	(1,179,035)	(88,392,254)
12. CASH FLOW FROM FINANCING ACTIVITIES		(1,336,428)	(100,192,007)	(498,173)	(37,348,030)
E) NET INCREASE IN CASH OR CASH EQUIVALENTS					
		915,476	68,633,236	68,471	5,133,271
Cash or cash equivalents at the beginning of the year	8	234,802	17,603,106	166,330	12,469,760
Cash or equivalents at the end of the year	8	1,150,278	86,236,342	234,802	17,603,106

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING MARCH 31, 2016

1. THE COMPANY'S BUSINESS ACTIVITY

- 1.1. HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. was founded as a limited corporation on December 9, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1525. On March, 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company.
- 1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, of property, buildings, tourist complexes, hotels, farms and/or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the lease of commercial premises.
- 1.3. The Corporate offices are located at Avenida Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán in Gran Canaria.
- 1.4. The financial year, between 1st April until 31st March of the following year, has been fixed according to the Group that belongs to, explained in the following note. However, during this financial year has been a change of financial year as indicated in the note 2.3 of this document.
- 1.5. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered at Avenida Ministra. Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria). Said company does not present yearly consolidated accounts, because it is not mandatory for it to do so. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in Finland, which presents yearly consolidated accounts.
- 1.6. On April 6, 2011 the Public Deed was signed, by means of which the Company, together with its related company HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned property for the amount of 3,170,602 Euros (237,700,032 Rupees) and the administration and maintenance operations' Goodwill valued at 1,700,000 Euros (127,449,000 Rupees). The remaining assets (unsold weeks, customers' loan rights and goodwill corresponding to the main business of Timeshare) was assigned to the abovementioned related Company. On June 1, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the Balance Sheet, in the Profit & Loss Account, in the Statement of Changes to Equity, in the Cash-flow Statement and in this Report are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

These annual accounts are presented for approval to the Annual General Meeting of Members.

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1514/2007 of November 16, in which the

General Accounting Plan was approved, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty

At the closing of the financial period, estimations were used in the drafting of the annual accounts such as: calculation of the impairment of assets and estimations of the useful life of the assets, amongst others. Due to future events, it is possible that additional information to that existing at the time the annual accounts were drafted require modifying these estimations in future financial periods.

There are no significant uncertainties relating to events or conditions which would raise significant doubts about the possibility of the Company continuing to operate normally.

2.3. Comparing Information

On February 1, 2016 General Meeting of the Company in which it was agreed to modify the start and end dates of the financial year in the bylaws, establishing April 1 to March 31 of each year. Exceptionally, with respect to this financial period beginning on October 1, 2015, it was agreed to finalize on March 31, 2016.

However, it is important to point out that the figures corresponding to the Financial Year ending on September 30, 2015 will not be comparable, since the Financial Period ending on March 31, 2016 only covered 6 months (October 2015 to March 2016) and the previous period covered twelve months (October 2014 to September 2015). This is due to the fact that the shareholders passed a resolution in which they decided to modify the Financial Period, in order for it to start every April 1 of each year. This is why the Financial Period 2015/2016 only covered 6 months.

Foreign Currency amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC: EUR1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2016.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2016 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on September 30, 2015, is as follows:

<u>Euros</u>	<u>2015/16</u>	<u>2014/15</u>
<u>Distribution Balance</u>		
Financial Period Profits	273,598	538,878
<u>Distribution</u>		
Goodwill Reserves	42,500	85,000
Voluntary Reserves	231,098	453,878
Totals	273,598	538,878
<u>Rupees</u>	<u>2015/16</u>	<u>2014/15</u>
<u>Distribution Balance</u>		
Financial Period Profits	20,511,642	40,399,684
<u>Distribution</u>		
Goodwill Reserves	3,186,225	6,372,450
Voluntary Reserves	17,325,417	34,027,234
Totals	20,511,642	40,399,684

4. RECOGNITION AND MEASUREMENT REGULATIONS

The main accounting principles and practices applied in the drafting of the Annual Accounts, follow current legislation, highlighting the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance as most significant.

The most significant accounting criteria applied in the drafting of the Annual Accounts are the following ones:

4.1. Intangible Fixed Assets

The intangible fixed assets are comprised of Goodwill.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value.

4.2. Tangible Fixed Assets

These have been measured at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings	3%
Machinery	12-50%
Other installations	8-12%
Furniture	10%
IT Equipment	25%
Other intangible assets	12-15%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Real-estate Investments

The Company classifies as Real-estate Investments, those buildings which are not being used for the production process and the profits from which are obtained through revenue from leases. The recording and measurement criteria are the same as applied to intangible fixed assets. They are amortised linearly and the percentage applied is 3 per cent.

The Company's administrators consider that the accounting value of these assets do not exceed their recoverable value.

4.4. Financial Instruments

The Company's financial instruments are classified as:

- a) Loans and accounts receivable, including those loans for commercial or non-commercial operations. Those whose maturity is no longer than one year are valued at their face-value, because they do not have any contractual interest rate and the effect of not up-dating cash-flow is not significant. Those whose maturity is over one year are measured at their reasonable value, which is equal to the value of the compensation delivered plus directly attributable transaction costs. Interest accrued is accounted for in the Profit & Loss Account, applying the Effective Interest Rate method.

Loss due to impairment of the value of these financial assets is the difference between their book value and the real value of future cash-flow estimated to be generated by them, less the effective interest rate calculated at the time of their initial recognition. The reversal of the impairment shall be limited by the loan's book value.

- b) Debits and accounts payable, including debits from commercial operations and the amounts owed by non-commercial operations: They will initially be measured by their reasonable value, except those debits which are for trade operations with a maturity of no more than one year and which do not bear any contractual interest, the amount of which is expected to be paid off short term, which are measured at their face value. Interest accrued is accounted for in the Profit and Loss Account, applying the Effective Interest Rate method.

Financial instruments are classified as short and long-term, according to whether their maturity is less than or more than twelve months, respectively.

The Company has complied with requirements set out in the regulations governing recording and measurement relating to financial instruments.

4.5. Transactions in Foreign Currency

Accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, both positive and negative differences that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an expense during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income and expense have also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation and short term provisions allocated in previous financial periods and which are respectively, tax deductible.

4.7. Provisions and Contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

4.8. Income and Expenses

Income and expenses are charged according to the actual stream of goods and services which they represent and regardless of when the monetary or financial flow deriving therefrom arises.

Revenue from sales and services performed will be measured at the fair value of the consideration received or receivable; the amount of any discount deducted, reduction in the price or other similar items that the company might grant. They are recognized when all the risks and significant benefits inherent in the ownership of the property have been transferred to the buyer.

Purchases and services incorporate taxes levied on the operation, with the exception of the VAT when deductible status exists.

4.9. Personnel Expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Criteria used in transactions between related parties

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS

5.1. As indicated in Note 1.6, during the 2011 financial period the Company acquired the goodwill corresponding to the business of administration and maintenance for the amount of 1,700,000 Euros (127,449,000 Rupees). There were no transactions during the financial periods 2014/15 and 2015/16.

5.2. There is no evidence of impairment through March 31, 2016 on any of the elements in the Intangible Fixed Assets.

6. TANGIBLE FIXED ASSETS

6.1. The transactions occurring during the 2014/15 and 2015/16 periods were the following:

Euros	Balance 30.09.14	Acquisitions	Disposals	Balance 30.09.15
Gross Costs				
Buildings	2,415,567	105,720	-	2,521,287
Machinery	21,153	5,113	(6,193)	20,074
Other facilities	9,521	79,558	-	89,080
Furniture	14,343	1,091	-	15,434
IT Equipment	11,029	-	-	11,029
Other tangible fixed assets	374,100	-	-	374,100
Totals	2,845,713	191,483	(6,193)	3,031,003
Accumulated amortization				
Buildings	138,693	41,313	-	180,006
Machinery	717	5,449	-	6,166
Other installations	1,347	1,283	-	2,630
Furniture	1,984	1,533	-	3,517
IT Equipment	5,634	2,581	-	8,215
Other tangible fixed assets	195,187	56,079	-	251,266
Totals	343,562	108,237	-	451,799
Net Totals	2,502,151			2,579,204
	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Gross Costs				
Buildings	2,521,287	26,837	-	2,548,123
Machinery	20,074	5,550	-	25,624
Other facilities	89,080	39,886	-	128,966
Furniture	15,434	1,036	-	16,470
IT Equipment	11,029	5,200	-	16,229
Other tangible fixed assets	374,100	-	-	374,100
Advances and fixed assets in progress	-	11,030	-	11,030
Totals	3,031,003	89,539	-	3,120,542
Accumulated amortization				
Buildings	180,006	22,103	-	202,109
Machinery	6,166	3,765	-	9,930
Other installations	2,630	6,910	-	9,540
Furniture	3,517	798	-	4,314
IT Equipment	8,215	1,606	-	9,821
Other tangible fixed assets	251,266	28,039	-	279,306
Totals	451,799	63,221	-	515,020
Net Totals	2,579,204			2,605,522

Rupees	Balance 30.09.14	Acquisitions	Disposals	Balance 30.09.15
Gross Costs				
Buildings	181,095,058	7,925,828	-	189,020,886
Machinery	1,585,840	383,322	(464,289)	1,504,948
Other facilities	713,789	5,964,463	-	6,678,328
Furniture	1,075,295	81,792	-	1,157,087
IT Equipment	826,844	-	-	826,844
Other tangible fixed assets	28,046,277	-	-	28,046,277
Totals	213,343,104	14,355,481	(464,289)	227,234,295
Accumulated amortization				
Buildings	10,397,814	3,097,236	-	13,495,050
Machinery	53,753	408,512	-	462,265
Other installations	100,985	96,187	-	197,171
Furniture	148,740	114,929	-	263,669
IT Equipment	422,381	193,498	-	615,879
Other tangible fixed assets	14,633,169	4,204,243	-	18,837,412
Totals	25,756,843	8,114,528	-	33,871,371
Net Totals	187,586,260			193,362,924

	Balance 30.09.15	Acquisitions	Disposals	Balance 31.03.16
Gross Costs				
Buildings	189,020,886	2,011,970	-	191,032,781
Machinery	1,504,948	416,084	-	1,921,031
Other facilities	6,678,328	2,990,253	-	9,668,581
Furniture	1,157,087	77,669	-	1,234,756
IT Equipment	826,844	389,844	-	1,216,688
Other tangible fixed assets	28,046,277	-	-	28,046,277
Advances and fixed assets in progress	-	826,919	-	826,919
Totals	227,234,295	6,712,739	-	233,947,034
Accumulated amortization				
Buildings	13,495,050	1,657,062	-	15,152,112
Machinery	462,265	282,262	-	744,452
Other installations	197,171	518,043	-	715,214
Furniture	263,669	5,982,606	-	323,421
IT Equipment	615,879	120,402	-	736,280
Other tangible fixed assets	18,837,412	2,102,084	-	20,939,571
Totals	33,871,371	4,739,678	-	38,611,049
Net Totals	193,362,924			195,335,984

6.2. The Buildings heading corresponds to property for which the value of the plots and buildings come to 1,061,167 euros (79,555,690 Rupees) and 1,486,957 euros (111,447,166 Rupees), respectively.

6.3. Acquisitions during the financial period 2015/16 correspond mostly to refurbishments in the common areas of a hotel resort.

6.4. Advances and fixed assets in progress correspond to advances given to suppliers for future projects in two of the resorts.

6.5. The amounts of fully depreciated fixed assets in use at March 31, 2016 are as follows:

Euros	2015/16
Machinery	13,809
Other facilities	113,452
IT Equipment	1,649
Totals	128,909
Rupees	2015/16
Machinery	1,035,261
Other facilities	8,505,496
IT Equipment	123,625
Totals	9,664,308

6.6. There are no signs of impairment through March 31, 2016 for the elements in the Tangible Fixed Assets.

6.7. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up-to-date.

7. REAL-ESTATE INVESTMENTS

7.1. The transactions occurring during the 2014/15 and 2015/16 periods were the following:

Euros	Balance 30.09.14	Acquisitions	Disposals	Transfers	Balance 30.09.15
Buildings	848,003	-	-	-	848,003
Accumulated amortisation	(51,462)	(14,755)	-	-	(66,217)
Net Totals	796,541				781,786
	Balance 30.09.15	Acquisitions	Disposals	Tranfers	Balance 31.03.16
Buildings	848,003	-	-	-	848,003
Accumulated amortisation	(66,217)	(7,378)	-	-	(73,595)
Net Totals	781,786				774,408

8. FINANCIAL ASSETS

Information related to the Balance Sheet

8.1. Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, Jointly-controlled group and associated companies) by categories is as follows:

Euros	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
Long-term Financial Assets						
Loans and Receivables	-	-	-	-	139,947	180,660
Totals	-	-	-	-	139,947	180,660
Short-term Financial Assets						
Loans and Receivables	-	-	-	-	2,216,562	2,165,963
Liquid Assets	-	-	-	-	1,150,278	234,802
Totals	-	-	-	-	3,366,840	2,400,764
Rupees	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
Long-term Financial Assets						
Loans and Receivables	-	-	-	-	10,491,827	13,544,080
Totals	-	-	-	-	10,491,827	13,544,080
Short-term Financial Assets						
Loans and Receivables	-	-	-	-	166,175,653	162,382,246
Liquid Assets	-	-	-	-	86,236,342	17,603,106
Totals	-	-	-	-	252,411,995	179,985,277

Rupees	Balance 30.09.14	Acquisitions	Disposals	Transfers	Balance 30.09.15
Buildings	63,574,785	-	-	-	63,574,785
Accumulated amortisation	(3,858,106)	(1,106,182)	-	-	(4,964,288)
Net Totals	59,716,679				58,610,496
	Balance 30.09.15	Acquisitions	Disposals	Tranfers	Balance 31.03.16
Buildings	63,574,785	-	-	-	63,574,785
Accumulated amortisation	(4,964,288)	(553,129)	-	-	(5,517,417)
Net Totals	58,610,496				58,057,368

7.2. The heading for Plots and Buildings correspond to property in which the value of the plot and the buildings come to 356,161 euros (26,701,390 Rupees) and 491,842 Euros (36,873,395 Rupees), respectively.

7.3. The Company's Real-estate investments for rental, have generated revenue for 98,593 Euros (7,391,517 Rupees) and 66,757 Euros (5,004,772 Rupees) during the financial periods 2014/15 y 2015/16 respectively and correspond to three restaurants, a pool-bar and a hairdressers' salon.

7.4. The main expenditures for these properties correspond to allocation for amortisation.

7.5. There are no signs of impairment through March 31, 2016 for the elements in the Real-estate investments.

7.6. The Real-estate investments are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up-to-date.

8.2 Classification by Maturity

The ratings depending on the maturity of the different financial assets are as follows:

Euros

Financial Assets	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Investments in Group and Associated Companies	513,745	-	-	-	-	-	-
Loans to companies	513,745	-	-	-	-	-	-
Commercial Debts and other Receivables	1,702,817	85,000	54,947	-	-	-	139,947
Customer receivables for sales and services	1,663,764	85,000	54,947	-	-	-	139,947
Sundry Receivables	39,053	-	-	-	-	-	-
Cash and other Liquid Assets	1,150,278	-	-	-	-	-	-
Liquid Assets	1,150,278	-	-	-	-	-	-
Totals	3,366,840	85,000	54,947	-	-	-	139,947

Rupees

Financial Assets	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Investments in Group and Associated Companies	38,515,463	-	-	-	-	-	-
Loans to companies	38,515,463	-	-	-	-	-	-
Commercial Debts and other Receivables	127,660,190	6,372,450	4,119,377	-	-	-	10,454,342
Customer receivables for sales and services	124,732,387	6,372,450	4,119,377	-	-	-	10,454,342
Sundry Receivables	2,927,803	-	-	-	-	-	-
Cash and other Liquid Assets	86,236,342	-	-	-	-	-	-
Liquid Assets	86,236,342	-	-	-	-	-	-
Totals	252,411,995	6,372,450	4,119,377	-	-	-	10,454,342

8.3 Corrections due to Impairment caused by Credit Risk

No variations due to impairment have been applied to the corrective accounts during the financial periods 2014/15 and 2015/16, due to the related Company HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. having absorbed the uncollectable debts of defaulting clients.

8.4 Customer Receivables for Sales and Services Performed

During the financial period 2014/15, the hotel resort Vista Amadores was refurbished, for the amount of 1.7 million Euros (127,449,000 Rupees), for which purpose investment for the amount of 1.3 million Euros (97,461,000 Rupees) had been approved by the General Assembly of Owners at the end of 2014. The difference of 0.4 million Euros (29,988,000 Rupees) has been recorded as a Customer Receivable, as the exceeding amount was approved on December 2015 by the General Assembly.

Information relating to the Profit & Loss Account8.5 Financial Income

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account, the amounts of 24,614 Euros (1,845,312 Rupees) and 28,323 Euros (2,123,375 Rupees) for the financial periods 2014/15 and 2015/2016 respectively, correspond mainly to the accrual of bank account interest, term deposits and interest on commercial clients.

Other Information8.6 Reasonable Value

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are valued at their cost.

8.7 Information Regarding the Nature and Level of Risk from Financial Assets

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange; of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit to clients and debtors are granted based on a preliminary solvency study and strict follow-up of credits and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum, because the Company grants loans at a fixed interest rate.

9. FINANCIAL LIABILITIES

Information related to the Balance Sheet.

9.1. Categories of Financial Liabilities

The breakdown of the financial liabilities by categories is as follows:

Euros

	Debits with Credit Institutions		Bonds y Other Market Securities		Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
<u>Long-term financial Liabilities</u>						
Debits and Payables	296,146	421,310	-	-	6,186	6,186
Totals	296,146	421,310	-	-	6,186	6,186
<u>Short-term Financial Liabilities</u>						
Debits and Payables	249,312	247,205	-	-	1,164,869	3,052,059
Totals	249,312	247,205	-	-	1,164,869	3,052,059

Rupees

	Debits with Credit Institutions		Bonds y Other Market Securities		Derivatives/Others	
	31.03.16	30.09.15	31.03.16	30.09.15	31.03.16	30.09.15
<u>Long-term financial Liabilities</u>						
Debits and Payables	22,202,066	31,585,611	-	-	463,764	463,764
Totals	22,202,066	31,585,611	-	-	463,764	463,764
<u>Short-term Financial Liabilities</u>						
Debits and Payables	18,690,921	18,532,959	-	-	87,330,229	228,812,863
Totals	18,690,921	18,532,959	-	-	87,330,229	228,812,863

9.2 Classification by Maturity

Classification according to the maturity of the different financial liabilities, is as follows:

Euros

Financial Liabilities	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Debts	281,900	253,486	42,661	-	-	6,186	302,332
Debits with Credit Institutions	249,312	253,486	42,661	-	-	-	296,146
Other financial liabilities	32,588	-	-	-	-	6,186	6,186
Debts with Group and Associated Companies	749,582	-	-	-	-	-	-
Trade Creditors and other accounts payable	382,699	-	-	-	-	-	-
Sundry Creditors	368,833	-	-	-	-	-	-
Personnel (wages pending payment)	13,866	-	-	-	-	-	-
Totals	1,414,181	253,486	42,661	-	-	6,186	302,332

Rupees

Financial Liabilities	2016/17	2017/18	2018/19	2019/20	2020/21	Next	Total I/t
Debts	21,134,043	19,003,845	3,198,295	-	-	463,764	22,665,830
Debits with Credit Institutions	18,690,921	19,003,845	3,198,295	-	-	-	22,202,066
Other financial liabilities	2,443,122	-	-	-	-	463,764	463,764
Debts with Group and Associated Companies	56,196,163	-	-	-	-	-	-
Trade Creditors and other accounts payable	28,690,944	-	-	-	-	-	-
Sundry Creditors	27,651,410	-	-	-	-	-	-
Personnel (wages pending payment)	1,039,534	-	-	-	-	-	-
Totals	106,021,150	19,003,845	3,198,295	-	-	463,764	22,665,830

Information related to the Profit & Loss Account**9.3 Financial Expenses**

The Financial expenses for "Debts with Group and Associated Companies" for the amount of 15,547 euros (1,165,559 Rupees) for the financial period 2014/15, includes the accrual of interest from debts for non-commercial operations of related companies.

The heading of debts to third parties includes interest accrued with credit institutions, the amounts of which come to 5,198 Euros (389,694 Rupees) and 5,634 Euros (422,381 Rupees) for the financial periods 2015/16 and 2014/15, respectively.

Other Information**9.4 Reasonable Value**

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

9.5 Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9.6 Other Information about Financial Instruments

a) Debts with credit institutions show the following breakdown:

Euros	2015/2016	2014/2015
Personal secured loans	545,458	668,515
Totals	545,458	668,515
Rupees	2015/2016	2014/2015
Personal secured loans	40,892,986	50,118,569
Totals	40,892,986	50,118,569

b) The average interest rate of non-commercial debts fluctuates between 1 and 2 per cent per annum

10. SHAREHOLDERS' EQUITY

10.1. The share capital, for an amount of 3,100 Euros (232,407 Rupees), comprises 31 shares of 100 Euros (7,497 Rupees) face value each.

10.2. The Canary Islands Investments Reserve Fund for the amount of 670,000 Euros (50,229,900 Rupees), is subject to the availability limitations established in the tax regulations.

10.3. The corporation HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., owns 100 per cent of the share capital of the Company.

10.4. The breakdown of the heading "other reserves" from the Balance Sheet, is as follows:

Euros	2015/16	2014/15
Voluntary Reserves	1,567,852	1,113,974
Canary Islands Investment Reserves	670,000	670,000
Goodwill Reserves	474,651	389,651
Totals	2,712,503	2,173,626
Rupees	2015/16	2014/15
Voluntary Reserves	117,541,864	83,514,631
Canary Islands Investment Reserves	50,229,900	50,229,900
Goodwill Reserves	35,584,585	29,212,135
Totals	203,356,350	162,956,741

11. TAX POSITION**Profit Tax****11.1 Tax Consolidation Regime**

The Company is taxed in the Consolidated Tax System in accordance with Chapter VII of Royal Legislative Decree 4/2004, of 5 March, which approved the revised text from the Law of Corporate Tax. The Tax Group comprises the following corporations:

Parent: HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U.
Subsidiaries: HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U.
AND HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U.

11.2 Individual Tax Base

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	273,598	–
Profit Tax	106,821	–
Current Tax	113,084	–
Deferred Tax	(6,263)	–
Permanent Differences		
Goodwill Deduction	(8,500)	–
Non-deductible Expenses	6,178	–
Temporary Differences		
70% Limit Amortization	(3,605)	–
Provisions (Art. 14 LIS)	29,378	–
Tax Base (Tax Profit & Loss)	403,870	–

Rupees	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	20,511,642	–
Profit Tax	8,008,370	–
Current Tax	8,477,907	–
Deferred Tax	(469,537)	–
Permanent Differences		
Goodwill Deduction	(637,245)	–
Non-deductible Expenses	463,165	–
Temporary Differences		
70% Limit Amortization	(270,267)	–
Provisions (Art. 14 LIS)	2,202,469	–
Tax Base (Tax Profit & Loss)	30,278,134	–

11.3 Corporate Tax Settlement

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions; additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. for the amount of 403,870 Euros (30,278,134 Rupees), is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

By applying the tax rate over the tax base, you obtain the total tax due for the tax group which is reduced by the items and amounts expressed below.

Euros	2015/16	2014/15
Previous Group Tax Base	116,247	(1,029,232)
Negative Group Tax base from previous financial years	(116,247)	-
Group Tax Base	-	(1,029,232)
Corporate income tax payable (28-30% x taxable base)	-	(308,797)
Group Gross Tax payable	-	(308,797)

Rupees	2015/16	2014/15
Previous Group Tax Base	8,715,038	(77,161,523)
Negative Group Tax base from previous financial years	(8,715,038)	-
Group Tax Base	-	(77,161,523)
Corporate income tax payable (28-30% x taxable base)	-	(23,150,511)
Group Gross Tax payable	-	(23,150,511)

11.4 Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods is broken down as follows:

Euros	2015/16	2014/15
1. Current Tax	113,084	217,685
2. Deferred tax	(6,263)	12,120
- deductible temporary differences that are activated in the period	(27,281)	(32,569)
- deductible temporary differences that are deducted in the period	21,018	44,689
3. Total expenditure on Income Tax	106,821	229,805

Rupees	2015/16	2014/15
1. Current Tax	8,477,907	16,319,844
2. Deferred tax	(469,537)	908,636
- deductible temporary differences that are activated in the period	(2,045,257)	(2,441,698)
- deductible temporary differences that are deducted in the period	1,575,719	3,350,334
3. Total expenditure on Income Tax	8,008,370	17,228,481

11.5 Deductions for Investments

During the financial period 2015/2016, no fixed asset investments located or received on the Canary Islands, have been made that have generated deductions nor are there, at March 31, any deductions pending application.

11.6 Deferred Tax Assets

Transactions during the financial periods 2014/15 and 2015/16 found in this heading have been the following:

Euros	Balance 30.09.14	Acquisitions	Applications	Balance 30.09.15
- Temporary differences for non-deductible provisions	44,689	21,500	(44,689)	21,500
- Temporary differences, 70% limit fiscal amortisation	10,560	11,069	-	21,629
Totals	55,249	32,569	(44,689)	43,129

	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences for non-deductible provisions	21,500	27,281	(19,937)	28,844
- Temporary differences, 70% limit fiscal amortisation	21,629	-	(1,081)	20,548
Totals	43,129	27,281	(21,018)	49,392

Rupees	Balance 30.09.14	Acquisitions	Applications	Balance 30.09.15
- Temporary differences for non-deductible provisions	3,350,334	1,611,855	(3,350,334)	1,611,855
- Temporary differences, 70% limit fiscal amortisation	791,683	829,843	-	1,621,526
Totals	4,142,018	2,441,698	(3,350,334)	3,233,381

	Balance 30.09.15	Acquisitions	Applications	Balance 31.03.16
- Temporary differences for non-deductible provisions	1,611,855	2,045,257	(1,494,677)	2,162,435
- Temporary differences, 70% limit fiscal amortisation	1,621,526	-	(81,043)	1,540,484
Totals	3,233,381	2,045,257	(1,575,719)	3,702,918

11.7 The Canary Islands Investment Reserve

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial period 2015/2016, the situation of the Canary Islands Investment Reserve is as follows:

Euros	2012/2013	2013/2014
Item		
Provisions	245,000	425,000
Investments made		
Financial Period 2011	-	-
Financial Period 2011/12	-	-
Financial Period 2012/13	-	-
Financial Period 2013/14	(17,221)	-
Financial Period 2014/15	(191,443)	-
Financial Period 2015/16	(36,336)	(42,173)
Investments pending		
Maturity 2016/17	-	-
Maturity 2017/18	-	382,827

Rupees	2012/2013	2013/2014
Item		
Provisions	18,367,650	31,862,250
Investments made		
Financial Period 2011	-	-
Financial Period 2011/12	-	-
Financial Period 2012/13	-	-
Financial Period 2013/14	(1,291,058)	-
Financial Period 2014/15	(14,352,482)	-
Financial Period 2015/16	(2,724,110)	(3,161,710)
Investments pending		
Maturity 2016/17	-	-
Maturity 2017/18	-	28,700,540

Specifically, investments made in the financial period 2013/2014 for which the Canary Island Investment Reserve was materialised, were the following:

Euros

Account	Item	Acquisition Date	Amount Materialised	Provision 2012/2013
21301001	Machinery	01.03.2014	1,103	1,103
21301001	Machinery	13.03.2014	690	690
21301001	Machinery	13.08.2014	1,152	1,152
21301001	Machinery	15.09.2014	12,015	12,015
TOTAL MACHINERY			14,961	14,961
201608002	Furniture	29.11.2013	2,097	2,097
201608002	Furniture	22.11.2013	163	163
TOTAL FURNITURE			2,260	2,260

Rupees

Account	Item	Acquisition Date	Amount Materialised	Provision 2012/2013
21301001	Machinery	01.03.2014	82,692	82,692
21301001	Machinery	13.03.2014	51,729	51,729
21301001	Machinery	13.08.2014	86,365	86,365
21301001	Machinery	15.09.2014	900,765	900,765
TOTAL MACHINERY			1,121,626	1,121,626
201608002	Furniture	29.11.2013	157,212	157,212
201608002	Furniture	22.11.2013	12,220	12,220
TOTAL FURNITURE			169,432	169,432

Throughout the financial period 2014/2015 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013
21108022	Construction/Buildings	10.02.2015	4,020	4,020
21108022	Construction/Buildings	28.02.2015	6,759	6,759
21108022	Construction/Buildings	28.02.2015	392	392
21108022	Construction/Buildings	28.02.2015	329	329
21108022	Construction/Buildings	28.02.2015	15,212	15,212
21108022	Construction/Buildings	31.03.2015	2,183	2,183
21108022	Construction/Buildings	30.09.2015	76,825	76,825
TOTAL CONSTRUCTION			105,720	105,720
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	31.05.2015	562	562
21301001	Machinery	30.06.2015	601	601
21301001	Machinery	30.07.2015	601	601
TOTAL MACHINERY			5,074	5,074
21508001	Other Facilities	31.05.2015	5,646	5,646
21508001	Other Facilities	17.06.2015	1,096	1,096
21508001	Other Facilities	17.06.2015	586	586
21508001	Other Facilities	29.09.2015	4,056	4,056
21508001	Other Facilities	30.09.2015	68,175	68,175
TOTAL OTHER FACILITIES			79,558	79,558
201608001	Furniture	28.10.2014	437	437
201608001	Furniture	01.12.2014	654	654
TOTAL FURNITURE			1,091	1,091

Rupees

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013
21108022	Construction/Buildings	10.02.2015	301,379	301,379
21108022	Construction/Buildings	28.02.2015	506,722	506,722
21108022	Construction/Buildings	28.02.2015	29,388	29,388
21108022	Construction/Buildings	28.02.2015	24,665	24,665
21108022	Construction/Buildings	28.02.2015	1,140,444	1,140,444
21108022	Construction/Buildings	31.03.2015	163,660	163,660
21108022	Construction/Buildings	30.09.2015	5,759,570	5,759,570
TOTAL CONSTRUCTION			7,925,828	7,925,828
21301001	Machinery	28.02.2015	82,692	82,692
21301001	Machinery	28.02.2015	82,692	82,692
21301001	Machinery	28.02.2015	82,692	82,692
21301001	Machinery	31.05.2015	42,133	42,133
21301001	Machinery	30.06.2015	45,057	45,057
21301001	Machinery	30.07.2015	45,057	45,057
TOTAL MACHINERY			380,398	380,398
21508001	Other Facilities	31.05.2015	423,281	423,281
21508001	Other Facilities	17.06.2015	82,167	82,167
21508001	Other Facilities	17.06.2015	43,932	43,932
21508001	Other Facilities	29.09.2015	304,078	304,078
21508001	Other Facilities	30.09.2015	5,111,080	5,111,080
TOTAL OTHER FACILITIES			5,964,463	5,964,463
201608001	Furniture	28.10.2014	32,762	32,762
201608001	Furniture	01.12.2014	49,030	49,030
TOTAL FURNITURE			81,792	81,792

Throughout the financial period 2015/2016 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013	Provision 2013/2014
21108005	Constructions	20.11.2015	8,027	8,027	-
21108005	Constructions	20.11.2015	1,950	1,950	-
21108005	Constructions	24.12.2015	1,565	1,565	-
21108005	Constructions	24.12.2015	1,450	1,450	-
21108005	Constructions	24.12.2015	1,499	1,499	-
21108005	Constructions	24.12.2015	8,027	8,027	-
21108005	Constructions	31.01.2016	1,950	1,950	-
21108008	Constructions	31.01.2016	2,370	2,370	-
TOTAL CONSTRUCTIONS			26,837	26,837	-
21301001	Machinery	31.01.2016	1,036	-	1,036
21301001	Machinery	31.01.2016	4,514	-	4,514
TOTAL MACHINERY			5,550	-	5,550
21508001	Other facilities	30.11.2015	5,271	5,271	-
21508001	Other facilities	01.12.2015	30,707	320	30,387
21508001	Other facilities	31.12.2015	2,409	2,409	-
21508001	Other facilities	31.01.2016	1,499	1,499	-
TOTAL OTHER FACILITIES			39,886	9,499	30,387
21608001	Furniture	02.01.2016	1,036	-	1,036
TOTAL FURNITURE			1,036	-	1,036
21708001	IT equipment	18.12.2015	5,024	-	5,024
21708001	IT equipment	18.12.2015	176	-	176
TOTAL IT EQUIPMENT			5,200	-	5,200

Rupees

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013	Provision 2013/2014
21108005	Constructions	20.11.2015	601,784	601,784	-
21108005	Constructions	20.11.2015	146,192	146,192	-
21108005	Constructions	24.12.2015	117,328	117,328	-
21108005	Constructions	24.12.2015	108,707	108,707	-
21108005	Constructions	24.12.2015	112,380	112,380	-
21108005	Constructions	24.12.2015	601,784	601,784	-
21108005	Constructions	31.01.2016	146,192	146,192	-
21108008	Constructions	31.01.2016	177,679	177,679	-
TOTAL CONSTRUCTIONS			2,011,970	2,011,970	-
21301001	Machinery	31.01.2016	77,669	-	77,669
21301001	Machinery	31.01.2016	338,415	-	338,415
TOTAL MACHINERY			416,084	-	416,084
21508001	Other facilities	30.11.2015	395,167	395,167	-
21508001	Other facilities	01.12.2015	2,302,104	23,990	2,278,113
21508001	Other facilities	31.12.2015	180,603	180,603	-
21508001	Other facilities	31.01.2016	112,380	112,380	-
TOTAL OTHER FACILITIES			2,990,253	712,140	2,278,113
21608001	Furniture	02.01.2016	77,669	-	77,669
TOTAL FURNITURE			77,669	-	77,669
21708001	IT equipment	18.12.2015	376,649	-	376,649
21708001	IT equipment	18.12.2015	13,195	-	13,195
TOTAL IT EQUIPMENT			389,844	-	389,844

The Company has not carried out investments prior to the provision and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

11.8 Financial Periods Open to the Possibility of a Tax Inspection

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes has been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

12 FOREIGN CURRENCY

The Exchange differences recognised in the financial periods 2015/16 and 2014/15 in the Profit and Loss Account, for creditors' amounts of 585 Euros (43,857 Rupees) and 59 Euros (4,423 Rupees) respectively, belongs to transactions settled during the Financial Period.

13 INCOME AND EXPENSES

Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding entirely to the cost of merchandise for the amounts of 52,729 Euros (3,953,093 Rupees) and 112,086 Euros (8,403,087 Rupees) during the financial periods 2015/16 and 2014/15, respectively. All purchases have been made in Spanish territory.

6.b) Social security: corresponds entirely to the Business contribution to Social Security for a total amount of 219,413 Euros (16,449,393 Rupees) and 480,575 Euros (36,028,708 Rupees) for the financial periods 2015/16 and 2014/15, respectively.

7.a) External Services

Euros	2015/16	2014/15
Leases and Charges	824	1,648
Repair and Maintenance	239,627	422,417
Independent Professional Services	175,585	310,235
Transport	14,660	29,296
Insurance	10,079	27,200
Bank Services and Similar	12,191	14,480
Publicity, Advertising and Public Relations	3,736	12,908
Supplies	288,135	523,116
Other Services	60,788	109,282
Totals	805,625	1,450,582
Rupees	2015/16	2014/15
Leases and Charges	61,775	123,551
Repair and Maintenance	17,964,836	31,668,602
Independent Professional Services	13,163,607	23,258,318
Transport	1,099,060	2,196,321
Insurance	755,623	2,039,184
Bank Services and Similar	913,959	1,085,566
Publicity, Advertising and Public Relations	280,088	967,713
Supplies	21,601,481	39,218,007
Other Services	4,557,276	8,192,872
Totals	60,397,706	108,750,133

7.c) Losses on impairment of and change in trade transactions:

Euros	2015/16	2014/15
Provisions Other Trade Transactions (Note 14)	109,124	268,262
Totals	109,124	268,262
Rupees	2015/16	2014/15
Provisions Other Trade Transactions (Note 14)	8,181,026	20,111,602
Totals	8,181,026	20,111,602

13. Other results: these correspond to the Profits & Losses that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently.

14 PROVISIONS AND CONTINGENCIES

14.1 During the financial period 2014/15, a provision was allocated for 268,262 Euros (20,111,602 Rupees), corresponding to the accrual of a fund approved in the Owners' General Assembly for extraordinary improvements and replacements in the different resorts and a provision was applied to investments carried out for the amount of 331,226 Euros (24,832,013 Rupees) which resulted in a short-term provision a balance of 91,686 Euros (6,873,699 Rupees). During the financial period 2015/16, a provision of 109,124 Euros (8,181,026 Rupees) (see Note 13) was applied to the provision for investments carried out for 79,746 Euros (5,978,558 Rupees). In consequence, the Balance of short-term provisions on March 31, 2016 comes to 121,064 Euros (9,076,169 Rupees).

14.2 The Company is guaranteeing another Company in the Group for a loan obtained from a Finance Company for the amount of 518,142 Euros (38,845,106 Rupees) (see Note 17.3).

14.3 A guarantee has been provided by one of the Group companies, to respond for a loan granted by a Finance Company, for the amount of 750,000 Euros (56,227,500 Rupees) (see Note 17.3).

15 ENVIRONMENTAL INFORMATION

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or deadlines of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific break-downs are included in this report.

16 EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

17 TRANSACTIONS BETWEEN RELATED PARTIES**17.1 Regarding the Managing Board and Key Company Staff**

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.
- Mrs. Claudia Esplá Marín, Finance Manager
- Mr. Roberto Picón Pampin, Operations Manager

Remuneration paid to managers and key personnel of the company, during the financial periods 2015/16, in their status as employees of the company, amounts to 96,600 Euros (7,242,102 Rupees) and 220,259 Euros (16,512,817 Rupees) in the financial period 2014/15.

On the Balance Sheet there is a current account with partners and administrators at March 31, 2016, that amounts 3,588 Euros (268,992 Rupees), and at September 30, 2015 an amount of 1,449 euros (108,631 Rupees).

17.2 Information required by Article 229 Of the Corporate Enterprises Act

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 of July 17, which amended Law 24/1988, of July 28, in which the Market Values and the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 17.1.

17.3 Transactions and Balances with Group companies

Euros	Company	2014/15		
		Financial Expenses	Services received	Services rendered
	Holiday Club Canarias Sales & Marketing, SLU.	-	160,073	2,327,749
	Holiday Club Resort OY.	-	43,403	2,170
	Holiday Club Canarias Investment, SL	-	-	-
	Holiday Club Sweden AB	15,547	-	-
Totals		15,547	203,476	2,329,919
		2015/16		
		Services received	Services rendered	
	Holiday Club Canarias Sales & Marketing, SLU.	87,563	2,144,102	
	Holiday Club Resort OY.	(30,600)	(1,142)	
	Holiday Club Canarias Investment, SL	-	-	
Totals		56,963	2,142,960	

Rupees	Company	2014/15		
		Financial Expenses	Services received	Services rendered
	Holiday Club Canarias Sales & Marketing, SLU.	-	12,000,673	174,511,342
	Holiday Club Resort OY.	-	3,253,923	162,685
	Holiday Club Canarias Investment, SL	-	-	-
	Holiday Club Sweden AB	1,165,559	-	-
Totals		1,165,559	15,254,596	174,674,027

Rupees	Company	2015/16	
		Services received	Services rendered
	Holiday Club Canarias Sales & Marketing, SLU.	6,564,598	160,743,327
	Holiday Club Resort OY.	(2,294,082)	(85,615)
	Holiday Club Canarias Investment, SL	-	-
Totals		4,495,426	160,657,711

Transactions carried out between Group Companies have been performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2015/16 and 2014/15, both short-term and long-term, at the close of the Financial Periods are:

Euros	2015/2016		2014/2015		
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances	
	Holiday Club Canarias Sales & Marketing, SLU	449,253	-	71,993	1,236,463
	Holiday Club Canarias Investment, SL	64,020	749,582	14,796	587,268
	Holiday Club Resorts OY	472	-	-	28,279
	Holiday Club Sweden AB	-	-	-	-
Totals	513,745	749,582	86,789	1,852,010	

Rupees	2015/2016		2014/2015		
	Debit Balances	Creditor Balances	Debit Balances	Creditor Balances	
	Holiday Club Canarias Sales & Marketing, SLU	33,680,497	-	5,397,315	92,697,631
	Holiday Club Canarias Investment, SL	4,799,579	56,196,163	1,109,256	44,027,482
	Holiday Club Resorts OY	35,386	-	-	2,120,077
	Holiday Club Sweden AB	-	-	-	-
Totals	38,515,463	56,196,163	6,506,571	138,845,190	

The Company is backing to the Group Company Holiday Club Canarias Sales & Marketing, SLU to respond to a loan granted by a financial institution amounting to 518,142 Euros (38,845,106 Rupees). There is also a guarantee provided by the parent Group Company Holiday Club Canarias Investment, SLU to respond to a loan granted by a financial institution, amounting 750,000 Euros (56,227,500 Rupees) (see Notes 14.2 and 14.3).

18 OTHER INFORMATION

18.1 Number of Employees

The average number of persons employed by the Company during the 2014/15 and 2013/14 Financial Periods, distributed by professional categories, has been the following:

	Persons	
	2015/16	2014/15
Senior Managers	1.50	2.01
Administration and Middle Managers	9.00	9.17
Receptionists and Technical Staff	29.49	30.71
Housekeeping and others	40.05	38.54
Totals	80.04	80.43

The distribution by gender at the end of the financial periods 2015/16 and 2014/15 is the following:

	2015/16		2014/15	
	Men	Women	Men	Women
Senior Managers	2	-	2	-
Administration and Middle Managers	3	6	2	5
Receptionists and Technical Staff	24	7	21	8
Housekeeping and others	15	28	9	40
Totals	44	41	34	53

18.2 Auditor's Fees

The fees for the audit of Annual Accounts for the Financial Periods 2015/16 and 2014/15 are as follows:

	2015/16	2014/15
Euros		
Fees charged for Account Auditing	9,300	9,292
Fees for other Services performed	4,500	4,500
Totals	13,800	13,792

	2015/16	2014/15
Rupees		
Fees charged for Account Auditing	697,221	696,621
Fees for other Services performed	337,365	337,365
Totals	1,034,586	1,033,986

19 SEGMENT INFORMATION

The distribution of the net amount of turnover corresponding to ordinary activity, by categories, is as follows:

	2015/16	2014/15
Euros		
Maintenance Fee	2,355,627	4,638,806
Other incomes	147,861	341,527
Totals	2,503,489	4,980,333

	2015/16	2014/15
Rupees		
Maintenance Fee	176,601,356	347,771,286
Other incomes	11,071,644	25,604,279
Totals	187,686,570	373,375,565

20 INFORMATION ABOUT PAYMENT DEFERRALS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

	2015/16
	Days
Payment Ratio	45
Outstanding payment Ratio	30
Average period for payment to suppliers	42
	Euro/Rupees
Total payments in the period	1,679,807/125,935,131
Total outstanding payments	368,833/27,651,410

In Mogán, on April 18, 2016.

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial year commencing from January 1, 2015 and ended on December 31, 2015.

Operations/State of the Company's Affairs

The Company is primarily engaged in Promotion and sales of Holiday Club Resorts in Finland and customer service on the Russian market under the basis of Agent Agreement with Holiday Club Resorts Oy.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of RUB 9,279 thousand (INR 9,093 thousand) and made net loss of RUB 25,151 thousand (INR 24,648 thousand).

(RUB amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 0.98 = 1 RUB which is the Bloomberg rate as on March 31, 2016)

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Director shown below have held office during the financial period under review:

Irina Kuznetsova – General Manager (Director)

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at December 31, 2015.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Holiday Club Resorts Rus LLC

Irina Kuznetsova
General Director

Place : St-Petersburg, Russia
Dated : 20.04.2016

AUDIT REPORT

to members, users of the accounting statements of Holiday Club Resorts Rus Limited Liability Company

Entity Subject to Audit:

Holiday Club Resorts Rus Limited Liability Company

- main registration number 5067847052301
- location: 191186, Saint-Petersburg, Bolshaya Konyushennaya, 4-6-8

Audit Organisation:

- Audit Company SPS, LLC
- main registration number 1147847428684
- location: 197101., St. Petersburg, Mira, 3, of. 310
- member of the self-regulated auditors' organisation NP Russian Collegium of Auditors
- number in the register of auditors and audit organisations (ORNZ): 11505006641

We have audited the enclosed accounting statements of Holiday Club Resorts Rus Limited Liability Company consisting of the Balance Sheet and profit and Loss Account, Statement of changes in equity, Statement of cash flows as of December 31, 2015.

Responsibility of the Entity Subject to Audit for the Accounting Statements

The management of the entity subject to audit is responsible for the drawing-up and accuracy of the mentioned accounting statements in accordance with the established accounting rules and procedures, and for the internal control system necessary for the drawing up of accounts free of material misstatements as result of negligent act or error.

Responsibility of the Auditor

Our responsibility is to express an opinion, based on our audit, on the reliability of the financial statements. We conducted our

audit in accordance with the federal standards for the audit activity. The said federal standards require adherence to established ethic rules, and planning the audit in such a way to obtain reasonable assurance about whether the financial (accounting) statements are free of material misstatement.

The audit included audit procedures aimed at audit findings supporting the numerical data in the accounting statements and disclosure of its information. The choice of audit procedures is a subject of our judgement based on the assessment of risk of material misstatements made as a result of negligent act or error. While assessing the said risk, we examined the internal control system (securing the drawing-up and accuracy of the accounting statements) with the purpose of choosing the appropriate audit procedures and not expressing an opinion on efficiency of the internal control system.

Also the audit included assessment of appropriateness of the applied accounting policy and the reasonableness of the estimated figures obtained by the management of the entity subject to audit, as well as assessment of the accounting reporting overall.

We believe that the audit findings obtained in the course of audit provide sufficient basis for expressing an opinion on the reliability of the accounting statements.

The Opinion

In our opinion, the accounting statements of <<Holiday Club Resorts Rus>> Limited Liability Company reflect fairly, in all material respects, the financial situation of the company as of December 31, 2015 and the results of its financial and economic activity in accordance with established rules for accounting statements.

Director General of
Audit Company SPS, LLC

March 24, 2016

I. Y. Kochinskaya

BALANCE SHEET AS OF DECEMBER 31, 2015

Company	Holiday Club Resorts Rus LLC
Taxpayer's ID number	7801409574
Line of business	Rendering of intermediary services in purchasing, selling and renting of residential real estates
Form of incorporation/Form of ownership	Limited liability company/ ownership of a foreign entity
Location (address)	191186, Saint Petersburg, Bolshaya Konushennaya street 8, building 4-6-8

Notes	Item	Code	As of December 31, 2015 thousand RUB	As of December 31, 2015 thousand Rs
	ASSETS			
	I. NON-CURRENT ASEETS			
	Intangible assets	1110	–	–
	Results of research and development	1120	–	–
	Intangible development assets	1130	–	–
	Tangible development assets	1140	–	–
	Fixed assets	1150	–	–
	Income-bearing investments in tangible assets	1160	–	–
	Financial investments	1170	–	–
	Deffered tax assets	1180	22,066	21,625
	Other non-current assets	1190	–	–
	Total section I	1100	22,066	21,625
	II. CURRENT ASSETS			
	Inventories	1210	–	–
	Value-added tax on acquired assets	1220	6	6
	Receivables	1230	237	232
	Financial investments (except for monetary equivalents)	1240	–	–
	Cash and cash equivalents	1250	19,126	18,743
	Other current assets	1260	65	64
	Total section II	1200	19,434	19,045
	BALANCE	1600	41,500	40,670

Notes	Item	Code	As of December 31, 2015 thousand RUB	As of December 31, 2015 thousand Rs
LIABILITIES				
III. EQUITY AND RESERVES				
	Authorized capital	1310	300	294
	Treasury stock	1320	–	–
	Non-current asset revaluation	1340	–	–
	Capital surplus (without revaluation)	1350	–	–
	Reserve capital	1360	–	–
	Retained earnings	1370	(79,189)	(77,605)
	Total section III	1300	(78,889)	(77,311)
IV. LONG-TERM LIABILITIES				
	Loans	1410	–	–
	Deferred tax liabilities	1420	–	–
	Estimated liabilities	1430	–	–
	Other liabilities	1450	–	–
	Total section III	1400	–	–
V. SHORT-TERM LIABILITIES				
	Loans	1510	–	–
	Payables	1520	119,856	117,459
	Prepaid income	1530	–	–
	Estimated liabilities	1540	533	522
	Other liabilities	1550	–	–
	Total section V	1500	120,389	117,981
	BALANCE	1700	41,500	40,670

RUB amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 0.98 = 1 RUB which is the Bloomberg rate as on 31st March 2016

Director

(signature)

Kuznetsova Irina Sergeyevna

(name)

April 19, 2016

FINANCIAL RESULTS STATEMENT FOR JANUARY - DECEMBER 2015

Company	Holiday Club Resorts Rus LLC
Taxpayer's ID number	7801409574
Line of business	Rendering of intermediary services in purchasing, selling and renting of residential real estates
Form of incorporation/Form of ownership	Limited liability company/ownership of a foreign entity
Unit of measurement:	

Notes	Item	Code	January - December 2015 thousand RUB	January - December 2015 thousand Rs
	Revenue	2110	9,279	9,093
	Cost of sales	2120	–	–
	Gross profit (loss)	2100	9,279	9,093
	Commercial expenses	2210	–	–
	Administrative expenses	2220	(20,787)	(20,371)
	Sales profit (loss)	2200	(11,508)	(11,278)
	Income from participation in other organizations	2310	–	–
	Interest receivable.....	2320	168	165
	Interest payable	2330	–	–
	Other income	2340	37,974	37,215
	Other expenses.....	2350	(57,694)	(56,540)
	Profit (loss) before taxation	2300	(31,060)	(30,439)
	Current profit tax	2410	–	–
	including permanent tax liabilities (assets).....	2421	(303)	(297)
	Change in deferred tax liabilities.....	2430	–	–
	Change in deferred tax assets	2450	5,909	5,791
	Other	2460	–	–
	Net profit (loss)	2400	<u>(25,151)</u>	<u>(24,648)</u>
FOR REFERENCE				
	Revaluation of non-current assets not included in net profit (loss) for the period	2510	–	–
	Result of other transactions not included in net profit (loss) for the period	2520	–	–
	Comprehensive financial result for the period	2500	(25,151)	(24,648)
	Basic earnings (loss) per common share	2900	–	–
	Diluted earnings (loss) per common share.....	2910	–	–

RUB amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 0.98 = 1 RUB which is the Bloomberg rate as on 31st March 2016

Director

(signature)

Kuznetsova Irina Sergeevna

(name)

April 19, 2016

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in real estate agencies business.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 750.23 (INR 56,244.74).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Tapio Anttila, CEO, Chair of the Board of Directors
- 2) Iiro Rossi, Board member
- 3) Riku Rauhala, Board member

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Suomen Vapaa-aikakiinteistöt Oy

Tapio Anttila
CEO, Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Suomen Vapaa – aikakiinteistöt Oy LKV

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Suomen Vapaa –aikakiinteistöt Oy LKV for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere

Dated : April 26, 2016

ACCOUNTING PRINCIPLES

Valuation and amortisation principles and methods

Revenues and expenses are amortised on an accruals basis.

Valuation of non-current assets

Tangible and intangible assets

The company has no non-current assets on its balance sheet.

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

		Eur	Rs.	Eur	Rs.
	appendix	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.09.2014	1.10.2013- 30.09.2014
TURNOVER	1	–	–	6,280.00	470,811.60
Outsourced services		–	–	6,280.00	470,811.60
Personnel expenses	2	–	–	(3,897.92)	(292,227.06)
Other operating expenses	3	1,085.83	81,404.68	171.14	12,830.37
Profit(loss)		(1,085.83)	(81,404.68)	3,726.78	279,396.70
Financial income and expenses	4				
Interest income		335.60	25,159.93	242.94	18,213.21
Interest charges		–	–	136.80	10,255.90
Total financial income and expenses		335.60	25,159.93	106.14	7,957.32
Profit/loss before extraordinary items		(750.23)	(56,244.74)	3,832.92	287,354.01
Profit before appropriations and taxes		(750.23)	(56,244.74)	3,832.92	287,354.01
Income taxes	5	–	–	783.90	58,768.98
Profit/loss for the financial year		(750.23)	(56,244.74)	3,049.02	228,585.03

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	31.3.2016	31.3.2016	30.9.2014	30.9.2014
ASSETS					
CURRENT ASSETS					
Short-term receivables					
Short-term receivables	6	13,780.76	1,033,143.58	16,442.10	1,232,664.24
Total short-term receivables		13,780.76	1,033,143.58	16,442.10	1,232,664.24
Cash and cash equivalents					
Cash at bank		6,446.07	483,261.87	4,534.96	339,985.95
Total cash and cash equivalents		6,446.07	483,261.87	4,534.96	339,985.95
TOTAL CURRENT ASSETS		20,226.83	1,516,405.45	20,977.06	1,572,650.19
TOTAL ASSETS		20,226.83	1,516,405.45	20,977.06	1,572,650.19
LIABILITIES					
EQUITY					
Share capital	7	2,500.00	187,425.00	2,500.00	187,425.00
Profit(loss) from previous years		18,477.06	1,385,225.19	15,428.04	1,156,640.16
Profit(loss) for the financial year		(750.23)	(56,244.74)	3,049.02	228,585.03
TOTAL EQUITY		20,226.83	1,516,405.45	20,977.06	1,572,650.19
TOTAL LIABILITIES		20,226.83	1,516,405.45	20,977.06	1,572,650.19

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 – 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR 750.23 (Rs. 56,244.74) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE PROFIT AND LOSS STATEMENT

TURNOVER

1. TURNOVER BY SECTOR

Breakdown by sector

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Sales, commissions.....	–	–	6,280.00	470,811.60
Total	–	–	6,280.00	470,811.60

NOTES CONCERNING PERSONNEL AND MEMBERS OF ADMINISTRATIVE BODIES

2. PERSONNEL EXPENSES

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Pension expenses.....	–	–	–	–
Other personnel expenses	–	–	(3,897.92)	(292,227.06)
Total	–	–	(3,897.92)	(292,227.06)

3. OTHER OPERATING EXPENSES

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Voluntary personnel expenses	–	–	–	–
Marketing expenses.....	–	–	(1,222.77)	(91,671.07)
Other business expenses.....	1,085.83	81,404.68	1,393.91	104,501.43
Total	1,085.83	81,404.68	171.14	12,830.37

4. FINANCIAL INCOME AND EXPENSES

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Interest income from companies in the same Group.....	312.53	23,430.37	222.68	16,694.32
Other interest income.....	23.07	1,729.56	20.26	1,518.89
Total	335.60	25,159.93	242.94	18,213.21

NOTES TO THE FINANCIAL STATEMENTS

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Interest income from long-term investments and other interest income total	-	-	242.94	18,213.21
Interest expenses and other financial expenses	-	-	-	-
Other interest expenses	-	-	136.80	10,255.90
Total interest expenses	-	-	136.80	10,255.90
Total financial income and expenses	335.60	25,159.93	106.14	7,957.32

5. INCOME TAXES

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Direct taxes	-	-	783.90	58,768.98
Taxes from previous years	-	-	-	-
Total	-	-	783.90	58,768.98

NOTES TO THE BALANCE SHEET

ASSETS

CURRENT ASSETS

RECEIVABLES

6. SHORT-TERM RECEIVABLES

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Receivables from companies in the same Group	9,485.21	711,106.19	9,172.68	687,675.82
Accrued income	4,295.55	322,037.38	7,269.42	544,988.42
Total	13,780.76	1,033,143.58	16,442.10	1,232,664.24

LIABILITIES

	42,460.00	3,183,226.20	41,912.00	3,142,142.64
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7. EQUITY

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Share capital 1.1.	2,500.00	187,425.00	2,500.00	187,425.00
Share capital 31.3.	2,500.00	187,425.00	2,500.00	187,425.00
Profit/loss from prev. financial period	18,477.06	1,385,225.19	15,428.04	1,156,640.16
Profit/loss for the financial year	(750.23)	(56,244.74)	3,049.02	228,585.03
Total equity	20,226.83	1,516,405.45	20,977.06	1,572,650.19

NOTES TO THE FINANCIAL STATEMENTS

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
CALCULATION OF DISTRIBUTABLE FUNDS	42,460.00	3,183,226.20	41,912.00	3,142,142.64
Profit/loss from the previous financial year	18,477.06	1,385,225.19	15,428.04	1,156,640.16
Profit/loss for the financial year	(750.23)	(56,244.74)	3,049.02	228,585.03
Total	17,726.83	1,328,980.45	18,477.06	1,385,225.19

Helsinki, April 21, 2016

Tapio Anttila
CEO
Chair of the Board of Directors

Iiro Rossi
board member

Riku Rauhala
board member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements. During the period under review, the Company has made profit of Euro 12,950.60 (INR 970,906.48).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Himos Gardens

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Himos Gardens

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Himos Gardens for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : April 26, 2016

PROFIT AND LOSS STATEMENT

	Eur	Rs	Eur	Rs
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Property management expenses				
Administration	(793.22)	(59,467.70)	(608.91)	(45,649.98)
Property tax	(1,509.73)	(113,184.46)	(2,328.54)	(174,570.64)
Other management expenses	0.00	0.00	(237.00)	(17,767.89)
Total	(2,302.95)	(172,652.16)	(3,174.45)	(237,988.52)
Profit(loss)	(2,302.95)	(172,652.16)	(3,174.45)	(237,988.52)
Financial income and expenses				
Interest income.....	18,041.31	1,352,557.01	13,223.09	991,335.06
Interest charges.....	0.00	0.00	(13.60)	(1,019.59)
Total financial income and expenses	18,041.31	1,352,557.01	13,209.49	990,315.47
Profit/loss before extraordinary items	15,738.36	1,179,904.85	10,035.04	752,326.95
Profit before appropriations and taxes	15,738.36	1,179,904.85	10,035.04	752,326.95
Income taxes	(2,787.76)	(208,998.37)	2,007.01	150,465.54
Profit/loss for the financial year	12,950.60	970,906.48	8,028.03	601,861.41

BALANCE SHEET

		Eur	Rs	Eur	Rs
	appendix	31.3.2016	31.3.2016	30.9.2014	30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		527,069.84	39,514,425.90	527,069.84	39,514,425.90
Total tangible assets		527,069.84	39,514,425.90	527,069.84	39,514,425.90
TOTAL NON-CURRENT ASSETS		527,069.84	39,514,425.90	527,069.84	39,514,425.90
CURRENT ASSETS					
Short-term receivables	2				
Loan receivables from group companies		535,714.27	40,162,498.82	522,866.06	39,199,268.52
Total short-term receivables		535,714.27	40,162,498.82	522,866.06	39,199,268.52
Cash and cash equivalents					
Cash at bank		285.75	21,422.68	69.88	5,238.90
Total cash and cash equivalents		285.75	21,422.68	69.88	5,238.90
TOTAL CURRENT ASSETS		536,000.02	40,183,921.50	522,935.94	39,204,507.42
TOTAL ASSETS		1,063,069.86	79,698,347.40	1,050,005.78	78,718,933.33
LIABILITIES					
EQUITY					
Share capital	3	2,500.00	187,425.00	2,500.00	187,425.00
Building fund		1,040,077.00	77,974,572.69	1,040,077.00	77,974,572.69
Profit(loss) from previous years		5,842.77	438,032.47	(2,185.26)	(163,828.94)
Profit(loss) for the financial year		12,950.60	970,906.48	8,028.03	601,861.41
TOTAL EQUITY		1,061,370.37	79,570,936.64	1,048,419.77	78,600,030.16
BORROWED CAPITAL					
Short-term borrowed capital	4				
Accruals and deferred income		1,699.49	127,410.77	1,586.01	118,903.17
Total short-term borrowed capital		1,699.49	127,410.77	1,586.01	118,903.17
TOTAL LIABILITIES		1,063,069.86	79,698,347.40	1,050,005.78	78,718,933.33

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 - 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. Tangible assets

	Eur		Rs	
	Land areas	Land areas	Land areas	Land areas
Acquisition cost 1.10.2014	527,069.84	39,514,425.90		
Acquisition cost 31.3.2016	527,069.84	39,514,425.90		
Book value 31.3.2016	527,069.84	39,514,425.90		

CURRENT ASSETS

RECEIVABLES

2. Short-term receivables

	Eur		Rs	
	2016	2016	2014	2014
Loan receivables from group companies	535,714.27	40,162,498.82	522,866.06	39,199,268.52
Total	535,714.27	40,162,498.82	522,866.06	39,199,268.52

3. LIABILITIES

	Eur		Rs	
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Building fund in the beginning of the year	1,040,077.00	77,974,572.69	1,040,077.00	77,974,572.69
Building fund in the end of the year	1,040,077.00	77,974,572.69	1,040,077.00	77,974,572.69
Profit/loss from prev. financial period	5,842.77	438,032.47	(2,185.26)	(163,828.94)
Profit/loss for the financial year	12,950.60	970,906.48	8,028.03	601,861.41
Total equity	1,061,370.37	79,570,936.64	1,048,419.77	78,600,030.16

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No	Eur	No	Eur
1 vote/share	50.00	2,500.00	50.00	2,500.00
TOTAL	50.00	2,500.00	50.00	2,500.00

	2016		2014	
RS	No	RS.	No	RS.
1 vote/share	50.00	187,425.00	50.00	187,425.00
Total	50.00	187,425.00	50.00	187,425.00

4. SHORT-TERM BORROWED CAPITAL

	Eur		Rs	
	2016	2016	2014	2014
Accruals and deferred income	353.28	26,485.40	0.00	0.00
Tax liabilities	1,346.21	100,925.36	1,586.01	118,903.17
Total	1,699.49	127,410.77	1,586.01	118,903.17

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year Euro 12,950.60 (Rs. 970,906.48). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

Helsinki, April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company's is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 8,426.22 (INR 631,713.71).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Himoksen Tähti 2

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Himoksen Tähti 2

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Himoksen Tähti 2 for the year ended 31 March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

Tampere 26th of April, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 – 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Property management expenses				
Administration.....	(829.81)	(62,210.86)	(398.58)	(29,881.54)
Property tax	(7,564.98)	(567,146.55)	(6,314.77)	(473,418.31)
Total	(8,394.79)	(629,357.41)	(6,713.35)	(503,299.85)
Profit(loss)	(8,394.79)	(629,357.41)	(6,713.35)	(503,299.85)
Financial income and expenses				
Interest income.....	0.41	30.74	0.13	9.75
Interest charges.....	(31.84)	(2,387.04)	(8,346.44)	(625,732.61)
Total financial income and expenses	(31.43)	(2,356.31)	(8,346.31)	(625,722.86)
Profit/loss before extraordinary items	(8,426.22)	(631,713.71)	(15,059.66)	(1,129,022.71)
Profit before appropriations and taxes	(8,426.22)	(631,713.71)	(15,059.66)	(1,129,022.71)
Profit/loss for the financial year	(8,426.22)	(631,713.71)	(15,059.66)	(1,129,022.71)

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 30.9.2014	Rs. 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		662,628.72	49,677,275.14	662,628.72	49,677,275.14
Total tangible assets.....		662,628.72	49,677,275.14	662,628.72	49,677,275.14
TOTAL NON-CURRENT ASSETS.....		662,628.72	49,677,275.14	662,628.72	49,677,275.14
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		8,127.91	609,349.41	5,983.20	448,560.50
Total cash and cash equivalents.....		8,127.91	609,349.41	5,983.20	448,560.50
TOTAL CURRENT ASSETS.....		8,127.91	609,349.41	5,983.20	448,560.50
TOTAL ASSETS.....		670,756.63	50,286,624.55	668,611.92	50,125,835.64
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund.....		720,181.45	53,992,003.31	710,691.21	53,280,520.01
Profit(loss) from previous years.....		(44,579.29)	(3,342,109.37)	(29,519.63)	(2,213,086.66)
Profit(loss) for the financial year.....		(8,426.22)	(631,713.71)	(15,059.66)	(1,129,022.71)
TOTAL EQUITY.....		669,675.94	50,205,605.22	668,611.92	50,125,835.64
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income.....	3	1,080.69	81,019.33	–	–
Total short-term borrowed capital.....		1,080.69	81,019.33	–	–
TOTAL LIABILITIES.....		670,756.63	50,286,624.55	668,611.92	50,125,835.64

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.10.2014	662,628.72	49,677,275.14
Acquisition cost 31.3.2016	662,628.72	49,677,275.14
Book value 31.3.2016	662,628.72	49,677,275.14

2 LIABILITIES

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund in the beginning of the year	710,691.21	53,280,520.01	710,691.21	53,280,520.01
Additions	9,490.24	711,483.29	-	-
Invested unrestricted equity fund in the end of the year	720,181.45	53,992,003.31	710,691.21	53,280,520.01
Profit/loss from prev. financial period	(44,579.29)	(3,342,109.37)	(29,519.63)	(2,213,086.66)
Profit/loss for the financial year	(8,426.22)	(631,713.71)	(15,059.66)	(1,129,022.71)
Total equity	669,675.94	50,205,605.22	668,611.92	50,125,835.64

3 Short-term borrowed capital

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
Accruals and deferred income	1,080.69	81,019.33	-	-
Total short-term borrowed capital	1,080.69	81,019.33	-	-

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	25	2,500.00	25	2,500.00
Total	25	2,500.00	25	2,500.00

	2016		2014	
Rs.	No.	Rs.	No.	Rs.
1 vote/share	25	187,425.00	25	187,425.00
Total	25	187,425.00	25	187,425.00

NOTES TO THE FINANCIAL STATEMENTS

OTHER COMMITMENTS

The property owned by the company (property identifier 182-40-4242-3) is encumbered by 8 mortgages of EUR 110,000.00 (Rs. 8,246,700.00) each, totalling EUR 880,000.00 (Rs. 65,973,600,00). The mortgage deeds are held by the City of Jämsä.

The Jämsä City Council is entitled to, upon application, to release from the lien a single building plot within the property after the final construction inspection of the building in question has been conducted. "Building plot" refers to individual holiday residences.

The Company is hereby obligated to build on lot 182-40-4243-3 holiday residences, which are in compliance with the local detailed plan, municipal building ordinance and approved drawings, to such a degree of completion that the building inspection authority may conduct a final inspection in accordance with the Land Use and Building Act by 15 June 2016.

If the Company fails to meet the completion commitments within the specified period of time, the parent company of said Company shall be obligated to pay the City of Jämsä a contractual penalty of EUR 127,408.60 (Rs. 9,551,522.74).

OTHER EASEMENTS

The company-owned area (182-430-2-79-M602) encumbers the leasing agreement dated 1 August 2005. The lease term ends on 1 August 2055.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution.

Loss for the financial year EUR 8,426.22 (Rs. 631,713.71). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiitonen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of real estate.

The Company's property located at Salla, was fully operational.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 5,055.00 (INR 378,973.35).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Tapio Anttila
- 3) Anne Oravainen
- 4) Iiro Rossi

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited, consequently, the Company became subsidiary for these companies.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Tunturinrivi

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: April 26, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Tunturinrivi.

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Tunturinrivi for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : April 26, 2016

PROFIT AND LOSS STATEMENT

	Eur	Rs	Eur	Rs
	1.1.2015	1.1.2015	1.1.2014	1.1.2014
	-31.3.2016	-31.3.2016	-31.12.2014	-31.12.2014
Depreciation and impairments				
Depreciations	(5,037.50)	(377,661.38)	(4,030.00)	(302,129.10)
Impairments	0.00	0.00	(12,554.92)	(941,242.35)
Depreciation and impairments total	(5,037.50)	(377,661.38)	(16,584.92)	(1,243,371.45)
Other operating expenses				
Other expenses	(17.50)	(1,311.98)	(138.40)	(10,375.85)
Other operating expenses total	(17.50)	(1,311.98)	(138.40)	(10,375.85)
Loss	(5,055.00)	(378,973.35)	(16,723.32)	(1,253,747.30)
Result before appropriations and taxes	(5,055.00)	(378,973.35)	(16,723.32)	(1,253,747.30)
Loss for the financial year	(5,055.00)	(378,973.35)	(16,723.32)	(1,253,747.30)

BALANCE SHEET

	appendix	Eur 1.1.2015 -31.3.2016	Rs 1.1.2015 -31.3.2016	Eur 1.1.2014 -31.12.2014	Rs 1.1. 2014 -31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land and waters					
Land areas		7,525.55	564,190.48	7,525.55	564,190.48
Buildings		104,591.53	7,841,227.00	109,629.03	8,218,888.38
Total tangible assets		112,117.08	8,405,417.49	117,154.58	8,783,078.86
TOTAL NON-CURRENT ASSETS		112,117.08	8,405,417.49	117,154.58	8,783,078.86
CURRENT ASSETS					
Cash in hand and at banks					
Cash at bank		2,832.39	212,344.28	2,849.89	213,656.25
Total Cash in hand and at banks		2,832.39	212,344.28	2,849.89	213,656.25
TOTAL CURRENT ASSETS		2,832.39	212,344.28	2,849.89	213,656.25
TOTAL ASSETS		114,949.47	8,617,761.77	120,004.47	8,996,735.12
EQUITY AND LIABILITIES					
EQUITY					
Share capital	2	16,482.42	1,235,687.33	16,482.42	1,235,687.33
Reserve fund		129.71	9,724.66	129.71	9,724.66
Profit from previous years		103,392.33	7,751,322.98	120,115.65	9,005,070.28
Loss for the financial year		(5,055.00)	(378,973.35)	(16,723.32)	(1,253,747.30)
TOTAL EQUITY		114,949.47	8,617,761.62	120,004.47	8,996,734.97
TOTAL EQUITY AND LIABILITIES		114,949.47	8,617,761.62	120,004.47	8,996,734.97

ACCOUNTING PRINCIPLES

Valuation principles

Depreciation from building is recorded on a straight-line basis over expected useful lives.

Depreciation period for building is 43 years from acquisition 1998.

Tangible assets have been entered under acquisition costs and financial assets under nominal value.

Comparability of the previous financial year data

The Company's financial period has been changed and it come to an end 31.3.2016, current financial period is 15 month.

The reference figures used are from the 1.1.2014-31.12.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

Note:

FC amounts are translated for convenience in to Indian Rupees at the exchange rate of Rs. 74.91 = FC1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

1. Tangible assets

Eur	Land areas	Buildings	Total	Rs.	Land areas	Buildings	Total
Acquisition cost 1.1.2015	7,525.55	181,363.57	188,889.12	Acquisition cost 1.1.2015	564,190.48	13,596,826.84	14,161,017.33
Acquisition cost 31.3.2016	7,525.55	181,363.57	188,889.12	Acquisition cost 31.3.2016	564,190.48	13,596,826.84	14,161,017.33
Accumulated depreciation 1.1.2015	–	71,734.54	71,734.54	Accumulated depreciation 1.1.2015	–	5,377,938.46	5,377,938.46
Depreciation for the financial year	–	5,037.50	5,037.50	Depreciation for the financial year	–	377,661.38	377,661.38
Accumulated depreciation 31.3.2016	–	76,772.04	76,772.04	Accumulated depreciation 31.3.2016	–	5,755,599.84	5,755,599.84
Book value 31.12.2014	7,525.55	104,591.53	112,117.08	Book value 31.12.2014	564,190.48	7,841,227.00	8,405,417.49

EQUITY AND LIABILITIES

2. EQUITY/Eur	Share capital	Reserve fund	Retained earnings	Profit (loss) for the financial year	Total
Amount 1.1.2015	16,482.42	129.71	120,115.65	(16,723.32)	120,004.47
Transfers between retained earnings and profit/loss from prev. financial period	–	–	(16,723.32)	16,723.32	0.00
Profit (loss) for the financial year	–	–	–	(5,055.00)	(5,055.00)
Amount 31.3.2016	16,482.42	129.71	103,392.33	(5,055.00)	114,949.47

EQUITY/Rs	Share capital	Reserve fund	Retained earnings	Profit (loss) for the financial year	Total
Amount 1.1.2015	1,235,686.79	9,724.73	9,005,070.58	(1,253,747.30)	8,996,734.80
Transfers between retained earnings and profit/loss from prev. financial period	–	–	(1,253,747.30)	1,253,747.30	0.00
Profit (loss) for the financial year	–	–	–	(378,973.35)	(378,973.35)
Amount 31.3.2016	1,235,686.79	9,724.73	7,751,323.28	(378,973.35)	8,617,761.45

Calculation for distributable funds 31.12.

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
Profit (loss) from prev. financial period	103,392.33	7,751,322.98	120,115.65	9,005,070.28
Profit (loss) for the financial year	(5,055.00)	(378,973.35)	(16,723.32)	(1,253,747.30)
Total	98,337.33	7,372,349.63	103,392.33	7,751,322.98

Financial Statements date and signatures

Tampere, April 1, 2016

Riku Rauhala
Chair of the Board of Director

Tapio Anttila
Board Member

Anne Oravainen
Board Member

Iiro Rossi
Board Member

Riku Rauhala
CEO

OTHER NOTES TO THE FINANCIAL STATEMENTS

The company has had no business operations during the financial year 1.1.2015-31.3.2016.

Koy Tunturirivi belongs to the Holiday Club Resorts Oy group and its parent company is Sallan Tunturipalvelut Oy.

Sallan Tunturipalvelut is a subsidiary of Holiday Club Resorts Oy.

Sallan Tunturipalvelut will be merged with Holiday Club Resorts Oy in 31.3.2016.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters

Hitsaajankatu 22, 00810 Helsinki.

Board of Director's Proposal for Distribution of Profits

The Board of Directors proposes to the Annual General Meeting that the loss Euro 5,055.00 (Rs. 378,973.35) for the financial year 1.1.2015-31.3.2016 be placed in retained earnings and no dividend be paid.

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 1,931.76 (INR 144,824.05).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Ilpo Antikainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Vanha Ykköstii

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Vanha Ykköstii

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Vanha Ykköstii for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere

Dated : 26th of April 2016

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 - 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.09.2014	1.10.2013- 30.09.2014
Property management expenses				
Administration.....	(814.69)	(61,077.31)	(398.28)	(29,859.05)
Property tax	(1,114.11)	(83,524.83)	(582.38)	(43,661.03)
Total	(1,928.80)	(144,602.14)	(980.66)	(73,520.08)
Profit(loss)	(1,928.80)	(144,602.14)	(980.66)	(73,520.08)
Financial income and expenses				
Interest income.....	0.04	3.00	0.65	48.73
Interest charges.....	(3.00)	(224.91)	(604.24)	(45,299.87)
Total financial income and expenses	(2.96)	(221.91)	(603.59)	(45,251.14)
Profit/loss before extraordinary items	(1,931.76)	(144,824.05)	(1,584.25)	(118,771.22)
Profit before appropriations and taxes	(1,931.76)	(144,824.05)	(1,584.25)	(118,771.22)
Profit/loss for the financial year	(1,931.76)	(144,824.05)	(1,584.25)	(118,771.22)

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 30.9.2014	Rs. 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		52,142.00	3,909,085.74	52,142.00	3,909,085.74
Total tangible assets.....		52,142.00	3,909,085.74	52,142.00	3,909,085.74
TOTAL NON-CURRENT ASSETS.....		52,142.00	3,909,085.74	52,142.00	3,909,085.74
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		307.82	23,077.27	2,080.43	155,969.84
Total cash and cash equivalents.....		307.82	23,077.27	2,080.43	155,969.84
TOTAL CURRENT ASSETS.....		307.82	23,077.27	2,080.43	155,969.84
TOTAL ASSETS.....		52,449.82	3,932,163.01	54,222.43	4,065,055.58
LIABILITIES					
EQUITY					
Invested unrestricted equity fund.....	2	56,443.17	4,231,544.45	56,443.17	4,231,544.45
Profit(loss) from previous years.....		(4,720.74)	(353,913.88)	(3,136.49)	(235,142.66)
Profit(loss) for the financial year.....		(1,931.76)	(144,824.05)	(1,584.25)	(118,771.22)
TOTAL EQUITY.....		52,290.67	3,920,231.53	54,222.43	4,065,055.58
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income.....	3	159.15	11,931.48	15.00	1,124.55
Total short-term borrowed capital.....		159.15	11,931.48	0.00	0.00
TOTAL LIABILITIES.....		52,449.82	3,932,163.01	54,222.43	4,065,055.58

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.10.2014	52,142.00	3,909,085.74
Acquisition cost 31.3.2016	52,142.00	3,909,085.74
Book value 31.3.2016	52,142.00	3,909,085.74

2 LIABILITIES

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund in the beginning of the year	56,443.17	4,231,544.45	56,443.17	4,231,544.45
Invested unrestricted equity fund in the end of the year	56,443.17	4,231,544.45	56,443.17	4,231,544.45
Profit/loss from prev. financial period	(4,720.74)	(353,913.88)	(3,136.49)	(235,142.66)
Profit/loss for the financial year	(1,931.76)	(144,824.05)	(1,584.25)	(118,771.22)
Total equity	52,290.67	3,920,231.53	54,222.43	4,065,055.58

3 Short-term borrowed capital

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
Accruals and deferred income	159.15	11,931.48	0.00	0.00
Total short-term borrowed capital	159.15	11,931.48	0.00	0.00

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2016		2014	
Rs.	No.	Rs.	No.	Rs.
1 vote/share	25.00	187,425.00	25.00	187,425.00
Total	25.00	187,425.00	25.00	187,425.00

NOTES TO THE FINANCIAL STATEMENTS

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

The company-owned area (765-401-2-294) encumbers the land lease agreement signed on 28 June 2011.

The lease term is 50 years.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,931.76 (Rs 144,824.05). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Anne Oravainen
Board Member

Ilpo Antikainen
Board Member and CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements. During the period under review, the Company has made loss of Euro 922.76 (INR 69,179.32).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Ilpo Antikainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Katinnurkka

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Katinnurkka

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Katinnurkka for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have

violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. This information in the report of the Board of directors is consistent with the information in the financial statements.

Tampere, April 26, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 – 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of INR 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Property management expenses				
Administration.....	(877.56)	(65,790.67)	(539.27)	(40,429.07)
Property tax	(42.20)	(3,163.73)	(70.44)	(5,280.89)
Total	(919.76)	(68,954.41)	(609.71)	(45,709.96)
Profit(loss)	(919.76)	(68,954.41)	(609.71)	(45,709.96)
Financial income and expenses				
Interest charges.....	(3.00)	(224.91)	(3,567.42)	(267,449.48)
Total financial income and expenses	(3.00)	(224.91)	(3,567.42)	(267,449.48)
Profit/loss before extraordinary items	(922.76)	(69,179.32)	(4,177.13)	(313,159.44)
Profit before appropriations and taxes	(922.76)	(69,179.32)	(4,177.13)	(313,159.44)
Profit/loss for the financial year	(922.76)	(69,179.32)	(4,177.13)	(313,159.44)

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 30.9.2014	Rs. 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		307,958.00	23,087,611.26	307,958.00	23,087,611.26
Total tangible assets.....		307,958.00	23,087,611.26	307,958.00	23,087,611.26
TOTAL NON-CURRENT ASSETS.....		307,958.00	23,087,611.26	307,958.00	23,087,611.26
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		1,421.84	106,595.34	2,344.60	175,774.66
Total cash and cash equivalents.....		1,421.84	106,595.34	2,344.60	175,774.66
TOTAL CURRENT ASSETS.....		1,421.84	106,595.34	2,344.60	175,774.66
TOTAL ASSETS.....		309,379.84	23,194,206.60	310,302.60	23,263,385.92
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund.....		316,041.01	23,693,594.52	316,041.01	23,693,594.52
Profit(loss) from previous years.....		(8,238.41)	(617,633.60)	(4,061.28)	(304,474.16)
Profit(loss) for the financial year.....		(922.76)	(69,179.32)	(4,177.13)	(313,159.44)
TOTAL EQUITY.....		309,379.84	23,194,206.60	310,302.60	23,263,385.92
TOTAL LIABILITIES.....		309,379.84	23,194,206.60	310,302.60	23,263,385.92

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.10.2014	307,958.00	23,087,611.26
Acquisition cost 31.3.2016	307,958.00	23,087,611.26
Book value 31.3.2016	307,958.00	23,087,611.26

2 LIABILITIES

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund in the beginning of the year	316,041.01	23,693,594.52	316,041.01	23,693,594.52
Invested unrestricted equity fund in the end of the year	316,041.01	23,693,594.52	316,041.01	23,693,594.52
Profit/loss from prev. financial period 1.10	(8,238.41)	(617,633.60)	(4,061.28)	(304,474.16)
Profit/loss for the financial year	(922.76)	(69,179.32)	(4,177.13)	(313,159.44)
Total equity	309,379.84	23,194,206.60	310,302.60	23,263,385.92

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2016		2014	
Rs.	No.	Rs.	No.	Rs.
1 vote/share	25.00	187,425.00	25.00	187,425.00
Total	25.00	187,425.00	25.00	187,425.00

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year Euro 922.76 (Rs. 69,179.32). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board member

Anne Oravainen
Board member

Ilpo Antikainen
CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 941.36 (INR 70,573.76).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Ilpo Antikainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Tenetinlahti

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Tenetinlahti

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Tenetinlahti for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place: Tampere
Date: April 26, 2016

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2014- 31.3.2016	1.10.2014- 31.3.2016	1.10.2013- 30.9.2014	1.10.2013- 30.9.2014
Property management expenses				
Administration	(782.74)	(58,682.02)	(661.91)	(49,623.39)
Property tax	(155.62)	(11,666.83)	(227.86)	(17,082.66)
Total	(938.36)	(70,348.85)	(889.77)	(66,706.06)
Profit(loss)	(938.36)	(70,348.85)	(889.77)	(66,706.06)
Financial income and expenses				
Interest income	0.00	0.00	0.00	0.00
Interest charges	(3.00)	(224.91)	(1,262.25)	(94,630.88)
Total financial income and expenses	(3.00)	(224.91)	(1,262.25)	(94,630.88)
Profit/loss before extraordinary items	(941.36)	(70,573.76)	(2,152.02)	(161,336.94)
Profit before appropriations and taxes	(941.36)	(70,573.76)	(2,152.02)	(161,336.94)
Profit/loss for the financial year	(941.36)	(70,573.76)	(2,152.02)	(161,336.94)

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 30.9.2014	Rs. 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas		108,666.66	8,146,739.50	108,666.66	8,146,739.50
Total tangible assets		108,666.66	8,146,739.50	108,666.66	8,146,739.50
TOTAL NON-CURRENT ASSETS		108,666.66	8,146,739.50	108,666.66	8,146,739.50
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank		1,002.92	75,188.91	1,913.17	143,430.35
Total cash and cash equivalents		1,002.92	75,188.91	1,913.17	143,430.35
TOTAL CURRENT ASSETS		1,002.92	75,188.91	1,913.17	143,430.35
TOTAL ASSETS		109,669.58	8,221,928.41	110,579.83	8,290,169.86
LIABILITIES					
EQUITY					
Share capital	2	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund		113,674.11	8,522,148.03	113,674.11	8,522,148.03
Profit(loss) from previous years		(5,594.28)	(419,403.17)	(3,442.26)	(258,066.23)
Profit(loss) for the financial year		(941.36)	(70,573.76)	(2,152.02)	(161,336.94)
TOTAL EQUITY		109,638.47	8,219,596.10	110,579.83	8,290,169.86
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income	3	31.11	2,332.32	0.00	0.00
Total short-term borrowed capital		31.11	2,332.32	0.00	0.00
TOTAL LIABILITIES		109,669.58	8,221,928.41	110,579.83	8,290,169.86

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 – 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. Tangible assets

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.10.2014...	108,666.66	8,146,739.50
Acquisition cost 31.3.2016...	108,666.66	8,146,739.50
Book value 31.3.2016.....	108,666.66	8,146,739.50

2. Liabilities

	Eur 2016	Rs. 2016	Eur 2014	Rs. 2014
EQUITY				
Share capital in the beginning of the year.....	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year.....	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund in the beginning of the year.....	113,674.11	8,522,148.03	113,674.11	8,522,148.03
Invested unrestricted equity fund in the end of the year.....	113,674.11	8,522,148.03	113,674.11	8,522,148.03
Profit/loss from prev. financial period 1.10.....	(5,594.28)	(419,403.17)	(3,442.26)	(258,066.23)
Profit/loss for the financial year.....	(941.36)	(70,573.76)	(2,152.02)	(161,336.94)
Total equity	109,638.47	8,219,596.10	110,579.83	8,290,169.86

3. Short-term borrowed capital

	2016 Eur	2016 Rs.	2014 Eur	2014 Rs.
Accruals and deferred income.....	31.11	2,332.32	0.00	0.00
Total short-term borrowed capital.....	31.11	2,332.32	0.00	0.00

BREAKDOWN OF SHARE CAPITAL

	2016 No.	Eur	2014 No.	Eur
1 vote/share.....	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2016		2014	
Rs	No.	Rs.	No.	Rs.
1 vote/share.....	25.00	187,425.00	25.00	187,425.00
Total	25.00	187,425.00	25.00	187,425.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 941.36 (Rs. 70,573.76). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 21, 2016

Riku Rauhala
Chair of the Board of Director

Tapio Anttila
Board Member

Anne Oravainen
Board Member

Ilpo Antikainen
CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Sotkamo.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of Euro 8,316.00 (INR 623,450.52) and made loss of Euro 542,153.21 (INR 40,645,226.15).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Tapio Anttila
- 2) Anne Oravainen
- 3) Riku Rauhala
- 4) Ilpo Antikainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Mällösnieni

Tapio Anttila
Chair of the Board of Directors

Place : Tampere
Dated : 21.4.2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Mällösniemi

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Mällösniemi for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : 26th April, 2016

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2014 - 31.12.2014 financial period, i.e. a twelve-month period. This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
appendix	1.1.2015 -31.3.2016	1.1.2015 -31.3.2016	1.1.2014 -31.12.2014	1.1.2014 -31.12.2014
TURNOVER				
Considerations.....	8,316.00	623,450.52	16,632.00	1,246,901.04
Total	8,316.00	623,450.52	16,632.00	1,246,901.04
Depreciation				
	1			
Machines and equipment	-	-	(969.18)	(72,659.42)
Impairments from non-current assets	(522,805.78)	(39,194,749.33)	-	-
Total	(522,805.78)	(39,194,749.33)	(969.18)	(72,659.42)
Property management expenses				
Administration.....	(1,250.74)	(93,767.98)	(1,402.32)	(105,131.93)
Operation and maintenance	(114.10)	(8,554.08)	(864.69)	(64,825.81)
Cleaning.....	(651.27)	(48,825.71)	(295.74)	(22,171.63)
Water and sewage	206.06	15,448.32	(180.09)	(13,501.35)
Electricity.....	(5,290.23)	(396,608.54)	(8,019.46)	(601,218.92)
Waste management	(111.34)	(8,347.16)	(83.09)	(6,229.26)
Indemnity insurance.....	(651.76)	(48,862.45)	(532.83)	(39,946.27)
Rents.....	(10,638.65)	(797,579.59)	-	-
Property tax	(2,594.16)	(194,484.18)	(2,089.23)	(156,629.57)
Repairs.....	(5,993.18)	(449,308.70)	(2,168.84)	(162,597.93)
Other expenses	(1,814.12)	(136,004.58)	-	-
Total	(28,903.49)	(2,166,894.65)	(15,636.29)	(1,172,252.66)
Profit(loss)	(543,393.27)	(40,738,193.45)	26.53	1,988.95
Financial income and expenses				
Interest income.....	1,301.74	97,591.45	-	-
Interest charges.....	(61.68)	(4,624.15)	-	-
Total financial income and expenses	1,240.06	92,967.30	-	-
Profit/loss before extraordinary items	(542,153.21)	(40,645,226.15)	26.53	1,988.95
Profit before appropriations and taxes	(542,153.21)	(40,645,226.15)	26.53	1,988.95
Profit/loss for the financial year	(542,153.21)	(40,645,226.15)	26.53	1,988.95

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	31.3.2016	31.3.2016	31.12.2014	31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	2				
Land improvement contribution.....		–	–	10,696.40	801,909.11
Buildings and structures		200,000.00	14,994,000.00	769,618.93	57,698,331.18
Machines and equipment		5,000.00	374,850.00	47,490.45	3,560,359.04
Total tangible assets.....		<u>205,000.00</u>	<u>15,368,850.00</u>	<u>827,805.78</u>	<u>62,060,599.33</u>
TOTAL NON-CURRENT ASSETS.....		205,000.00	15,368,850.00	827,805.78	62,060,599.33
CURRENT ASSETS					
Short-term receivables	3				
Receivables from companies in the same Group.....		95,548.16	7,163,245.56	–	–
Total short-term receivables.....		95,548.16	7,163,245.56	–	–
Cash and cash equivalents					
Cash at bank		27.62	2,070.67	18,145.71	1,360,383.88
Total cash and cash equivalents		27.62	2,070.67	18,145.71	1,360,383.88
TOTAL CURRENT ASSETS.....		<u>95,575.78</u>	<u>7,165,316.23</u>	<u>18,145.71</u>	<u>1,360,383.88</u>
TOTAL ASSETS.....		<u>300,575.78</u>	<u>22,534,166.23</u>	<u>845,951.49</u>	<u>63,420,983.21</u>
LIABILITIES					
EQUITY					
Share capital.....	4	9,000.00	674,730.00	9,000.00	674,730.00
Building fund.....		836,372.70	62,702,861.32	836,372.70	62,702,861.32
Profit(loss) from previous years.....		(3,579.18)	(268,331.12)	(3,605.71)	(270,320.08)
Profit(loss) for the financial year.....		(542,153.21)	(40,645,226.15)	26.53	1,988.95
TOTAL EQUITY.....		<u>299,640.31</u>	<u>22,464,034.04</u>	<u>841,793.52</u>	<u>63,109,260.19</u>
BORROWED CAPITAL					
Short-term borrowed capital	5				
Trade payables.....		–	–	3,178.97	238,327.38
Liabilities for companies in the same Group ...		–	–	979.00	73,395.63
Accruals and deferred income		935.47	70,132.19	–	–
Total short-term borrowed capital		935.47	70,132.19	4,157.97	311,723.01
TOTAL LIABILITIES.....		<u>300,575.78</u>	<u>22,534,166.23</u>	<u>845,951.49</u>	<u>63,420,983.21</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE PROFIT AND LOSS STATEMENT

1. DEPRECIATION AND IMPAIRMENTS

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Machines and equipment.....	–	–	969.18	72,659.42
Impairments from non-current assets.....	522,805.78	39,194,749.33	–	–
TOTAL.....	522,805.78	39,194,749.33	969.18	72,659.42

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

2. TANGIBLE ASSETS

Eur	Land areas	Buildings and structures	Machines and equipment	Total
Acquisition cost 1.1.2015	10,696.40	769,618.93	47,516.98	827,832.31
Additions	0.00	0.00	0.00	0.00
Acquisition cost 31.3.2016	10,696.40	769,618.93	47,516.98	827,832.31
Accumulated depreciation 1.1.2015	0.00	0.00	26.53	26.53
Depreciation for the financial year	0.00	0.00	0.00	0.00
Impairments	10,696.40	569,618.93	42,490.45	622,805.78
Book value 31.3.2016	0.00	200,000.00	5,000.00	205,000.00

Rs	Land areas	Buildings and structures	Machines and equipment	Total
Acquisition cost 1.1.2015	801,909.11	57,698,331.18	3,562,347.99	62,062,588.28
Additions	0.00	0.00	0.00	0.00
Acquisition cost 31.3.2016	801,909.11	57,698,331.18	3,562,347.99	62,062,588.28
Accumulated depreciation 1.1.2015	0.00	0.00	1,988.95	1,988.95
Depreciation for the financial year	0.00	0.00	0.00	0.00
Impairments	801,909.11	42,704,331.18	3,185,509.04	46,691,749.33
Book value 31.3.2016	0.00	14,994,000.00	374,850.00	15,368,850.00

CURRENT ASSETS

RECEIVABLES

3. SHORT-TERM RECEIVABLES

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Receivables from companies in the same Group.....	95,950.20	7,193,386.49	0.00	0.00
TOTAL.....	95,950.20	7,193,386.49	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

4. LIABILITIES

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	9,000.00	674,730.00	9,000.00	674,730.00
Share capital in the end of the year	9,000.00	674,730.00	9,000.00	674,730.00
Building fund in the beginning of the year.....	836,372.70	62,702,861.32	836,372.70	62,702,861.32
Building fund in the end of the year	836,372.70	62,702,861.32	836,372.70	62,702,861.32
Profit/loss from prev. financial period	(3,579.18)	(268,331.12)	(3,605.71)	(270,320.08)
Profit/loss for the financial year.....	(542,153.21)	(40,645,226.15)	26.53	1,988.95
Total equity	299,640.31	22,464,034.04	841,793.52	63,109,260.19

The company has no distributable assets

5. SHORT-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
Trade payables	-	-	3,178.97	238,327.38
Liabilities for companies in the same Group	-	-	979.00	73,395.63
Accruals and deferred income.....	935.47	70,132.19	-	-
Total borrowed capital	935.47	70,132.19	4,157.97	311,723.01

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	45.00	9,000.00	45.00	9,000.00
Total	45.00	9,000.00	45.00	9,000.00

	2016		2014	
Rs	No.	Rs	No.	Rs
1 vote/share	45.00	674,730.00	45.00	674,730.00
Total	45.00	674,730.00	45.00	674,730.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 542,153.21 (Rs. 40,645,226.15). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

AUDITOR'S NOTE

Helsinki, April 21, 2016

A report of the audit has been submitted today.

Tapio Anttila
Chair of the Board of Directors

Riku Rauhala
Board Member

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Anne Oravainen
Board Member

Ippo Antikainen
CEO

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

OPERATIONS/STATE OF THE COMPANY'S AFFAIRS

The Company is primarily engaged in letting of estate.

The Company's is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

FINANCIAL HIGHLIGHTS

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 3,964.04 (INR 297,184.08).

DIVIDENDS

No Dividend was proposed for the financial period under review.

DIRECTORS

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

STATEMENT OF DIRECTORS

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

ISSUE OF SHARES

The Company did not issue shares during the financial period under review.

HOLDING COMPANY

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

COMPLIANCE

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

AUDITORS

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

ACKNOWLEDGEMENTS

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Rauhan Ranta 1

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan Ranta 1

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Rauhan Ranta 1 for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have

violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

Tampere, April 26, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 – 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	1.10.2014	1.10.2014	1.10.2013	1.10.2013
	-31.3.2016	-31.3.2016	-30.9.2014	-30.9.2014
Property management expenses				
Administration	(988.35)	(74,096.60)	(522.08)	(39,140.34)
Outdoor area management	(2,976.00)	(223,110.72)	(1,488.00)	(111,555.36)
Other management expenses	0.00	0.00	(85.00)	(6,372.45)
Total	(3,964.35)	(297,207.32)	(2,095.08)	(157,068.15)
Profit(loss).....	(3,964.35)	(297,207.32)	(2,095.08)	(157,068.15)
Financial income and expenses				
Interest income.....	0.31	23.24	1.02	76.47
Interest charges.....	0.00	0.00	(44.96)	(3,370.65)
Total financial income and expenses	0.31	23.24	(43.94)	(3,294.18)
Profit/loss before extraordinary items	(3,964.04)	(297,184.08)	(2,139.02)	(160,362.33)
Profit before appropriations and taxes	(3,964.04)	(297,184.08)	(2,139.02)	(160,362.33)
Profit/loss for the financial year.....	(3,964.04)	(297,184.08)	(2,139.02)	(160,362.33)

BALANCE SHEET

		Eur	Rs	Eur	Rs
		31.3.2016	31.3.2016	30.9.2014	30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	1	124,800.00	9,356,256.00	124,800.00	9,356,256.00
Total tangible assets.....		124,800.00	9,356,256.00	124,800.00	9,356,256.00
TOTAL NON-CURRENT ASSETS.....		124,800.00	9,356,256.00	124,800.00	9,356,256.00
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		1,289.48	96,672.32	3,765.52	282,301.03
Total cash and cash equivalents.....		1,289.48	96,672.32	3,765.52	282,301.03
TOTAL CURRENT ASSETS.....		1,289.48	96,672.32	3,765.52	282,301.03
TOTAL ASSETS.....		126,089.48	9,452,928.32	128,565.52	9,638,557.03
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	187,425.00	2,500.00	187,425.00
Building fund.....		124,800.00	9,356,256.00	124,800.00	9,356,256.00
Invested unrestricted equity fund.....		7,777.97	583,114.41	7,777.97	583,114.41
Profit(loss) from previous years.....		(6,512.45)	(488,238.38)	(4,373.43)	(327,876.05)
Profit(loss) for the financial year.....		(3,964.04)	(297,184.08)	(2,139.02)	(160,362.33)
TOTAL EQUITY.....		124,601.48	9,341,372.96	128,565.52	9,638,557.03
BORROWED CAPITAL					
Short-term borrowed capital.....					
Accruals and deferred income.....	3	1,488.00	111,555.36	0.00	0.00
Total short-term borrowed capital.....		1,488.00	111,555.36	0.00	0.00
TOTAL LIABILITIES.....		126,089.48	9,452,928.32	128,565.52	9,638,557.03

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	Rs
	Land areas	Land areas
Acquisition cost 1.10.2014	124,800.00	9,356,256.00
Acquisition cost 31.3.2016	124,800.00	9,356,256.00
Book value 31.3.2016	124,800.00	9,356,256.00

2 LIABILITIES

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Building fund in the beginning of the year	124,800.00	9,356,256.00	124,800.00	9,356,256.00
Building fund in the end of the year	124,800.00	9,356,256.00	124,800.00	9,356,256.00
Invested unrestricted equity fund in the beginning of the year	7,777.97	583,114.41	7,777.97	583,114.41
Invested unrestricted equity fund in the end of the year	7,777.97	583,114.41	7,777.97	583,114.41
Profit/loss from prev. financial period	(6,512.45)	(488,238.38)	(4,373.43)	(327,876.05)
Profit/loss for the financial year	(3,964.04)	(297,184.08)	(2,139.02)	(160,362.33)
Total equity	124,601.48	9,341,372.96	128,565.52	9,638,557.03

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2016		2014	
Rs	No.	Rs	No.	Rs
1 vote/share	25.00	187,425.00	25.00	187,425.00
Total	25.00	187,425.00	25.00	187,425.00

3 Short-term borrowed capital

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Accruals and deferred income	1,488.00	111,555.36	-	-
Total short-term borrowed capital	1,488.00	111,555.36	-	-

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 3,964.04 (Rs. 297,184.08). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Helsinki April 21, 2016

Riku Rauhala
Chair of the Board of Director

Tapio Anttila
Board Member

Anne Oravainen
board member

AUDITOR'S NOTE

A report of the audit has been submitted today.
Öhrlings PricewaterhouseCoopers AB

PricewaterhouseCoopers Oy

Authorised Public Accounting Firm

Pekka Hiltunen

Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 6,143.86 (INR 460,605.18).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Rauhan Ranta 2

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan Ranta 2

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Rauhan Ranta 2 for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : April 26, 2016

PROFIT AND LOSS STATEMENT

	Eur 1.10.2014 -31.3.2016	INR 1.10.2014 -31.3.2016	Eur 1.10.2013 -30.9.2014	INR 1.10.2013 -30.9.2014
Property management expenses				
Administration.....	(1,030.55)	(77,260.33)	(547.89)	(41,075.31)
Outdoor area management	(4,438.20)	(332,731.85)	(2,219.10)	(166,365.93)
Property tax	(667.83)	(50,067.22)	(543.36)	(40,735.70)
Other management expenses	-	-	(85.00)	(6,372.45)
Total	(6,136.58)	(460,059.40)	(3,395.35)	(254,549.39)
Profit(loss).....	(6,136.58)	(460,059.40)	(3,395.35)	(254,549.39)
Financial income and expenses				
Interest income.....	0.01	0.75	0.49	36.74
Interest charges.....	(7.29)	(546.53)	(224.40)	(16,823.27)
Total financial income and expenses	(7.28)	(545.78)	(223.91)	(16,786.53)
Profit/loss before extraordinary items	(6,143.86)	(460,605.18)	(3,619.26)	(271,335.92)
Profit before appropriations and taxes	(6,143.86)	(460,605.18)	(3,619.26)	(271,335.92)
Profit/loss for the financial year.....	(6,143.86)	(460,605.18)	(3,619.26)	(271,335.92)

BALANCE SHEET

	Notes	Eur 31.3.2016	INR 31.3.2016	Eur 30.9.2014	INR 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	1	202,800.00	15,203,916.00	202,800.00	15,203,916.00
Total tangible assets.....		202,800.00	15,203,916.00	202,800.00	15,203,916.00
TOTAL NON-CURRENT ASSETS.....		202,800.00	15,203,916.00	202,800.00	15,203,916.00
CURRENT ASSETS					
Cash and cash equivalents					
Cash at bank.....		6,250.18	468,575.99	3,512.77	263,352.37
Total cash and cash equivalents.....		6,250.18	468,575.99	3,512.77	263,352.37
TOTAL CURRENT ASSETS.....		6,250.18	468,575.99	3,512.77	263,352.37
TOTAL ASSETS.....		209,050.18	15,672,491.99	206,312.77	15,467,268.37
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	187,425.00	2,500.00	187,425.00
Building fund.....		202,800.00	15,203,916.00	202,800.00	15,203,916.00
Invested unrestricted equity fund.....		28,355.11	2,125,782.60	21,788.34	1,633,471.85
Profit(loss) from previous years.....		(20,775.57)	(1,557,544.48)	(17,156.31)	(1,286,208.56)
Profit(loss) for the financial year.....		(6,143.86)	(460,605.18)	(3,619.26)	(271,335.92)
TOTAL EQUITY.....		206,735.68	15,498,973.93	206,312.77	15,467,268.37
BORROWED CAPITAL					
Short-term borrowed capital.....					
Accruals and deferred income.....	3	2,314.50	173,518.07	0.00	0.00
Total short-term borrowed capital.....		2,314.50	173,518.07	0.00	0.00
TOTAL LIABILITIES.....		209,050.18	15,672,491.99	206,312.77	15,467,268.37

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 - 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur	INR
	Land areas	Land areas
Acquisition cost 1.10.2014	202,800.00	15,203,916.00
Acquisition cost 31.3.2016	202,800.00	15,203,916.00
Book value 31.3.2016	202,800.00	15,203,916.00

2 LIABILITIES

	Eur	INR	Eur	INR
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Building fund in the beginning of the year	202,800.00	15,203,916.00	202,800.00	15,203,916.00
Building fund in the end of the year	202,800.00	15,203,916.00	202,800.00	15,203,916.00
Invested unrestricted equity fund in the beginning of the year	21,788.34	1,633,471.85	21,788.34	1,633,471.85
Additions	6,566.77	492,310.75	-	-
Invested unrestricted equity fund in the end of the year	28,355.11	2,125,782.60	21,788.34	1,633,471.85
Profit/loss from prev. financial period	(20,775.57)	(1,557,544.48)	(17,156.31)	(1,286,208.56)
Profit/loss for the financial year	(6,143.86)	(460,605.18)	(3,619.26)	(271,335.92)
Total equity	206,735.68	15,498,973.93	206,312.77	15,467,268.37

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	25.00	2,500.00	25.00	2,500.00
Total	25.00	2,500.00	25.00	2,500.00

	2016		2014	
Rs.	No.	INR	No.	INR
1 vote/share	25.00	187,425.00	25.00	187,425.00
Total	25.00	187,425.00	25.00	187,425.00

3 Short-term borrowed capital

	Eur	INR	Eur	INR
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Accruals and deferred income	2,314.50	173,518.07	0.00	0.00
Total short-term borrowed capital	2,314.50	173,518.07	0.00	0.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 6,143.86 (Rs. 460,605.18). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Helsinki, April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Helsinki.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 584,187.44 (INR 43,796,532.38).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Tiurunniemi

Riku Rauhala
Chair of the Board of Directors

Place: Tampere
Dated: April 21, 2016

Auditor's Report

To the Annual General Meeting of Kiinteistö Oy Tiurunniemi

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Tiurunniemi for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place: Tampere
Date: April 26, 2016

PROFIT AND LOSS STATEMENT

		Eur	Rs	Eur	Rs
		1.10.2014	1.10.2014	1.10.2013	1.10.2013
	appendix	-31.3.2016	-31.3.2016	-30.9.2014	-30.9.2014
Depreciation					
Impairments land and water areas	1	(577,229.00)	(43,274,858.13)	0.00	0.00
Total		<u>(577,229.00)</u>	<u>(43,274,858.13)</u>	<u>0.00</u>	<u>0.00</u>
Property management expenses					
Administration		(805.48)	(60,386.84)	(430.09)	(32,243.85)
Property tax.....		(3,922.58)	(294,075.82)	(1,539.09)	(115,385.58)
Reparations		(2,202.24)	(165,101.93)	0.00	0.00
Total		<u>(6,930.30)</u>	<u>(519,564.59)</u>	<u>(1,969.18)</u>	<u>(147,629.42)</u>
Profit(loss)		(584,159.30)	(43,794,422.72)	(1,969.18)	(147,629.42)
Financial income and expenses					
Interest charges		(28.14)	(2,109.66)	(10,918.01)	(818,523.21)
Total financial income and expenses		<u>(28.14)</u>	<u>(2,109.66)</u>	<u>(10,918.01)</u>	<u>(818,523.21)</u>
Profit/loss before extraordinary items		<u>(584,187.44)</u>	<u>(43,796,532.38)</u>	<u>(12,887.19)</u>	<u>(966,152.63)</u>
Profit before appropriations and taxes		<u>(584,187.44)</u>	<u>(43,796,532.38)</u>	<u>(12,887.19)</u>	<u>(966,152.63)</u>
Profit/loss for the financial year		<u>(584,187.44)</u>	<u>(43,796,532.38)</u>	<u>(12,887.19)</u>	<u>(966,152.63)</u>

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs 31.3.2016	Eur 30.9.2014	Rs 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	2	360,000.00	26,989,200.00	937,229.00	70,264,058.13
Total tangible assets.....		360,000.00	26,989,200.00	937,229.00	70,264,058.13
TOTAL NON-CURRENT ASSETS.....		360,000.00	26,989,200.00	937,229.00	70,264,058.13
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank.....		4,488.84	336,528.33	4,336.58	325,113.40
Total cash and cash equivalents.....		4,488.84	336,528.33	4,336.58	325,113.40
TOTAL CURRENT ASSETS.....		4,488.84	336,528.33	4,336.58	325,113.40
TOTAL ASSETS.....		364,488.84	27,325,728.33	941,565.58	70,589,171.53
LIABILITIES					
EQUITY					
Share capital.....	3	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund.....		973,088.63	72,952,454.59	966,564.25	72,463,321.82
Profit(loss) from previous years.....		(27,498.67)	(2,061,575.29)	(14,611.48)	(1,095,422.66)
Profit(loss) for the financial year.....		(584,187.44)	(43,796,532.38)	(12,887.19)	(966,152.63)
TOTAL EQUITY.....		363,902.52	27,281,771.92	941,565.58	70,589,171.53
BORROWED CAPITAL					
Short-term borrowed capital					
Accruals and deferred income.....	4	586.32	43,956.41	0.00	0.00
Total short-term borrowed capital.....		586.32	43,956.41	0.00	0.00
TOTAL LIABILITIES.....		364,488.84	27,325,728.33	941,565.58	70,589,171.53

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 - 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE PROFIT AND LOSS STATEMENT

Note 1: Depreciation and impairments

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Impairments land and water areas	577,229.00	43,274,858.13	0.00	0.00
Total depreciation and impairments	577,229.00	43,274,858.13	0.00	0.00

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

Note 2: Tangible assets

	Eur Land areas	Rs Land areas
Acquisition cost 1.10.2014	937,229.00	70,264,058.13
Deduction	(577,229.00)	(43,274,858.13)
Acquisition cost 31.3.2016	360,000.00	26,989,200.00
Book value 31.3.2016	360,000.00	26,989,200.00

LIABILITIES

Note 3: Equity

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund in the beginning of the year	966,564.25	72,463,321.82	0.00	0.00
Additions	6,524.38	489,132.77	966,564.25	72,463,321.82
Invested unrestricted equity fund in the end of the year	973,088.63	72,952,454.59	966,564.25	72,463,321.82
Profit/loss from prev. financial period	(27,498.67)	(2,061,575.29)	(14,611.48)	(1,095,422.66)
Profit/loss for the financial year	(584,187.44)	(43,796,532.38)	(12,887.19)	(966,152.63)
Total equity	363,902.52	27,281,771.92	941,565.58	70,589,171.53

Note 4: Short-term borrowed capital

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Accruals and deferred income	586.32	43,956.41	0.00	0.00
Total short-term borrowed capital	586.32	43,956.41	0.00	0.00

BREAKDOWN OF SHARE CAPITAL

Eur	2016 No	Eur	2014 No	Eur
1 vote/share	2,500.00	2,500.00	2,500.00	2,500.00
Total	2,500.00	2,500.00	2,500.00	2,500.00

Rs	2016 No	Rs	2014 No	Rs
1 vote/share	2,500.00	187,425.00	2,500.00	187,425.00
Total	2,500.00	187,425.00	2,500.00	187,425.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 584,187.44 (Rs 43,796,532.38). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Helsinki, April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
board member

Anne Oravainen
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State Of The Company's Affairs

The Company is primarily engaged in letting of real estate.

The Company's Resort Property is located at Tampere, was fully operation.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements. During the period under review, the Company has earned a revenue of Euro 1,311,697.59 (INR 98,337,968.32) and made loss of Euro 242,640.02 (INR 18,190,722.30).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Iiro Rossi, Chair of the Board of Directors
- 2) Marko Hiltunen, Board member
- 3) Riku Rauhala, CEO, Board member

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Rauhan Liikekiinteistöt 1

Name of Director: Iiro Rossi
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan liikekiinteistöt 1.

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Rauhan liikekiinteistöt 1 for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : May 4, 2016

ACCOUNTING PRINCIPLES

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

- buildings 20-30 yrs
- machines and equipment 5-10 yrs
- other tangible assets 30 yrs

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India

PROFIT AND LOSS STATEMENT

		Eur		Rs	
		1.10.2014	1.10.2014	1.10.2013	1.10.2013
	appendix	-31.3.2016	-31.3.2016	-30.9.2014	-30.9.2014
TURNOVER	1	1,311,697.59	98,337,968.32	1,083,942.18	81,263,145.23
Other operating income					
Depreciation and impairments	2	583,701.96	43,760,135.94	386,515.62	28,977,076.03
Other operating expenses	3	588,138.00	44,092,705.86	436,964.86	32,759,255.55
Total		1,171,839.96	87,852,841.80	260,461.70	19,526,813.65
Profit(loss)		139,857.63	10,485,126.52	260,461.70	19,526,813.65
Financial income and expenses	4				
Interest income.....		33.25	2,492.75	133.91	10,039.23
Interest charges.....		(359,723.75)	(26,968,489.54)	(262,954.78)	(19,713,719.86)
Total financial income and expenses		(359,690.50)	(26,965,996.79)	(262,820.87)	(19,703,680.62)
Profit/loss before extraordinary items		(219,832.87)	(16,480,870.26)	(2,359.17)	(176,866.97)
Profit before appropriations and taxes		(219,832.87)	(16,480,870.26)	(2,359.17)	(176,866.97)
Change in depreciation difference	5	22,807.15	1,709,852.04	-	-
Income taxes		-	-	-	-
Profit/loss for the financial year		(242,640.02)	(18,190,722.30)	(2,359.17)	(176,866.97)

BALANCE SHEET

		Eur	Rs	Eur	Rs
		1.10.2014	1.10.2014	1.10.2013	1.10.2013
	appendix	-31.3.2016	-31.3.2016	-30.9.2014	-30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	6	10,061,289.73	754,294,891.06	10,644,991.69	798,055,027.00
Investments					
Other receivables	7	93,603.26	7,017,436.40	93,603.26	7,017,436.40
Total tangible assets		10,154,892.99	761,312,327.46	10,738,594.95	805,072,463.40
TOTAL NON-CURRENT ASSETS		10,154,892.99	761,312,327.46	10,738,594.95	805,072,463.40
CURRENT ASSETS					
Short-term receivables					
Short-term receivables	8	55,168.26	4,135,964.45	79,472.76	5,958,072.82
Total short-term receivables		55,168.26	4,135,964.45	79,472.76	5,958,072.82
Cash and cash equivalents					
Cash at bank		61,091.06	4,579,996.77	25,916.58	1,942,966.00
Total cash and cash equivalents		116,259.32	8,715,961.22	25,916.58	1,942,966.00
TOTAL CURRENT ASSETS		116,259.32	8,715,961.22	105,389.34	7,901,038.82
TOTAL ASSETS		10,271,152.31	770,028,288.68	10,843,984.29	812,973,502.22
LIABILITIES					
EQUITY					
Share capital	9	2,500.00	187,425.00	2,500.00	187,425.00
Building fund		4,873,919.95	365,397,778.65	4,873,919.95	365,397,778.65
Profit(loss) from previous years		(2,680,441.39)	(200,952,691.01)	(2,678,082.22)	(200,775,824.03)
Profit(loss) for the financial year		(242,640.02)	(18,190,722.30)	(2,359.17)	(176,866.97)
TOTAL EQUITY		1,953,338.54	146,441,790.34	2,195,978.56	164,632,512.64
ACCUMULATED APPROPRIATIONS					
Accumulated depreciation difference	10	25,557.15	1,916,019.54	2,750.00	206,167.50
BORROWED CAPITAL					
Long-term borrowed capital.....	11	5,473,431.96	410,343,194.04	5,956,350.98	446,547,632.97
Short-term borrowed capital	12	2,818,824.66	211,327,284.76	2,688,904.75	201,587,189.11
TOTAL BORROWED CAPITAL		8,292,256.62	621,670,478.80	8,645,255.73	648,134,822.08
TOTAL LIABILITIES		10,271,152.31	770,028,288.68	10,843,984.29	812,973,502.22

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.
Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 - 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR 242,640.02 (Rs 18,190,722.30) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE PROFIT AND LOSS STATEMENT

1 TURNOVER BY SECTOR

Breakdown by sector	Eur		Rs	
	1.10.2014-31.3.2016	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2013-30.9.2014
Rent revenues	1,222,607.92	91,658,915.76	969,589.36	72,690,114.32
Service revenues	43,339.67	3,249,175.06	49,619.49	3,719,973.17
Other revenues	45,750.00	3,429,877.50	64,733.33	4,853,057.75
TOTAL	1,311,697.59	98,337,968.32	1,083,942.18	81,263,145.23

2 DEPRECIATION AND OTHER IMPAIRMENTS

	Eur		Rs	
	1.10.2014-31.3.2016	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2013-30.9.2014
Store and warehouse buildings	471,558.01	35,352,704.01	314,611.50	23,586,424.16
Building elements	65,303.29	4,895,787.65	41,927.19	3,143,281.43
Machines and equipment	32,440.66	2,432,076.28	20,376.93	1,527,658.44
Other tangible assets	8,250.00	618,502.50	5,499.99	412,334.25
Civil defence shelters	6,150.00	461,065.50	4,100.01	307,377.75
Total	583,701.96	43,760,135.94	386,515.62	28,977,076.03

3 OTHER OPERATING EXPENSES

	Eur		Rs	
	1.10.2014-31.3.2016	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2013-30.9.2014
Marketing expenses	20,067.70	1,504,475.47	26,012.35	1,950,145.88
Operating and maintenance expenses	39,006.35	2,924,306.06	36,992.16	2,773,302.24
Property management expenses	419,682.05	31,463,563.29	301,978.44	22,639,323.65
Other business expenses	109,381.90	8,200,361.04	71,981.91	5,396,483.79
Total	588,138.00	44,092,705.86	436,964.86	32,759,255.55

4 FINANCIAL INCOME AND EXPENSES

	Eur		Rs	
	1.10.2014-31.3.2016	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2013-30.9.2014
Interest income from companies in the same Group	-	-	-	-
Other interest income	33.25	2,492.75	133.91	10,039.23
Total	33.25	2,492.75	133.91	10,039.23

Interest expenses to companies in the same Group	98,512.60	7,385,489.62	-	-
Other interest expenses	261,211.15	19,582,999.92	262,954.78	19,713,719.86
Total interest expenses	359,723.75	26,968,489.54	262,820.87	19,703,680.62

Total financial income and expenses (359,690.50) (26,965,996.79) (262,820.87) (19,703,680.62)

5 APPROPRIATIONS

	Eur		Rs	
	1.10.2014-31.3.2016	1.10.2014-31.3.2016	1.10.2013-30.9.2014	1.10.2013-30.9.2014
Retail and warehouse buildings	23,972.64	1,797,228.82	-	-
Building elements	24,531.69	1,839,140.80	14,043.66	1,052,853.19
Machines and equipment	(22,275.64)	(1,670,004.73)	(14,043.66)	(1,052,853.19)
Other tangible assets	(2,750.00)	(206,167.50)	-	-
Civil defence shelters	(671.54)	(50345.35)	-	-
Total	22,807.15	1,709,852.04	-	-

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

6 TANGIBLE ASSETS

Eur	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost 1.10.2014	329,375.58	10,542,489.36	111,741.31	165,000.00	11,148,606.25
Additions	-	-	-	-	-
Acquisition cost 31.3.	329,375.58	10,542,489.36	111,741.31	165,000.00	11,148,606.25
Accumulated depreciation and impairments	-	(2,960,813.35)	(25,313.22)	(6,874.99)	(2,993,001.56)
Depreciation for the financial year	-	(1,014,437.63)	(57,753.89)	(15,125.00)	(1,087,316.52)
Impairments	-	-	-	-	-
Accumulated depreciation	-	(3,975,250.98)	(83,067.11)	(21,999.99)	(4,080,318.08)

31.3.2016

Book value 31.3.2016

Buildings are subject to an impairment of EUR 2,489,387.00, which has been entered according to expected revenues.

Rs	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost 1.10.2014	24,693,287.23	790,370,427.32	8,377,246.01	12,370,050.00	835,811,010.56
Additions	-	-	-	-	-
Acquisition cost 31.3.	24,693,287.23	790,370,427.32	8,377,246.01	12,370,050.00	835,811,010.56
Accumulated depreciation and impairments	-	(221,972,176.85)	(1,897,732.10)	(515,418.00)	(224,385,326.95)
Depreciation for the financial year	-	(76,052,389.12)	(4,329,809.13)	(1,133,921.25)	(81,516,119.50)
Impairments	-	-	-	-	-
Accumulated depreciation	-	(298,024,565.97)	(6,227,541.24)	(1,649,339.25)	(305,901,446.46)

31.3.2016

Book value 31.3.2016

Buildings are subject to an impairment of Rs 186,629,343.39, which has been entered according to expected revenues.

7 OTHER RECEIVABLES

	Eur	Rs	Eur	Rs
	Other receivables	Other receivables	Other receivables	Other receivables
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Acquisition cost 1.10.2014	93603.26	7017436.40	63733.26	4778082.50
Additions	-	-	29870.00	2239353.90
Acquisition cost 31.3.2016	93603.26	7017436.40	93603.26	7017436.40
Book value 31.3.2016	93603.26	7017436.40	93603.26	7017436.40

8 SHORT-TERM RECEIVABLES

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Receivables from companies in the same Group	1,043.56	78,235.69	6,852.94	513,764.91
Accounts receivable	38,516.94	2,887,614.99	56,526.98	4,237,827.69
Other receivables	-	-	-	-
Accrued income	15,607.76	1,170,113.77	16,092.84	1,206,480.21
Total	55,168.26	4,135,964.45	79,472.76	5,958,072.82

LIABILITIES

9. EQUITY

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
Share capital 1.1.	2,500.00	187,425.00	2,500.00	187,425.00
Share capital 31.3.	2,500.00	187,425.00	2,500.00	187,425.00
Building fund 1.10.	4,873,919.95	365,397,778.65	4,873,919.95	365,397,778.65
Building fund 31.3.	4,873,919.95	365,397,778.65	4,873,919.95	365,397,778.65
Profit/loss from prev. financial period 1.10.	(2,680,441.39)	(200,952,691.01)	(2,678,082.22)	(200,775,824.03)
Profit/loss for the financial year	(242,640.02)	(18,190,722.30)	(2,359.17)	(176,866.97)
Total equity	1,953,338.54	146,441,790.34	2,195,978.56	164,632,512.64

CALCULATION OF DISTRIBUTABLE FUNDS

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Profit/loss from prev. financial period 1.1.	(2,680,441.39)	(200,952,691.01)	(2,678,082.22)	(200,775,824.03)
Adjustments to previous financial years	-	-	-	-
Profit/loss from prev. financial period 1.1.	(2,680,441.39)	(200,952,691.01)	(2,678,082.22)	(200,775,824.03)
Profit/loss for the financial year	(242,640.02)	(18,190,722.30)	(2,359.17)	(176,866.97)
Total	(2,923,081.41)	(219,143,413.31)	(2,680,441.39)	(200,952,691.01)

10. ACCUMULATED APPROPRIATIONS

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Depreciation difference retail and warehouse buildings	23,972.64	1,797,228.82	-	-
Depreciation difference on building elements	41,403.89	3,104,049.63	16,872.20	1,264,908.83
Depreciation difference on machines and equipment	(39,819.38)	(2,985,258.92)	(17,543.74)	(1,315,254.19)
Depreciation difference on other tangible assets	-	-	2,750.00	206,167.50
Depreciation difference on civil defence shelters	-	-	671.54	50345.35
Total accumulated depreciation difference	25,557.15	1,916,019.54	2,750.00	206,167.50

11. LONG-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Loans from financial institutions	5,450,000.00	408,586,500.00	5,900,000.00	442,323,000.00
Security deposits received	23,431.96	1,756,694.04	56,350.98	4,224,632.97
Total long-term borrowed capital	5,473,431.96	410,343,194.04	5,956,350.98	446,547,632.97

LIABILITIES MATURING IN MORE THAN FIVE YEARS

	Eur	Rs	Eur	Rs
	31.3.2016		30.9.2014	
Loans from financial institutions	4,000,000.00	299,880,000.00	4,000,000.00	299,880,000.00
Total long-term borrowed capital	4,000,000.00	299,880,000.00	4,000,000.00	299,880,000.00

12. SHORT-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Loans from financial institutions	300,000.00	22,491,000.00	300,000.00	22,491,000.00
Trade payables	281.48	21,102.56	5,380.91	403,406.82
Liabilities for companies in the same Group	2,456,443.74	184,159,587.19	2,293,160.37	171,918,232.94
Other liabilities	6,701.35	502,400.21	21,369.27	1,602,054.17
Accruals and deferred income	55,398.09	4,153,194.81	68,994.20	5,172,495.17
Total short-term borrowed capital	2,818,824.66	211,327,284.76	2,688,904.75	201,587,189.11

ESSENTIAL ITEMS OF ACCRUALS AND DEFERRED INCOME

	Eur	Rs
Accrued interest expense	36,617.64	2,745,224.47
Reserve for missing purchase invoices	18,780.45	1,407,970.34
Total	55,398.09	4,153,194.81

GUARANTEES GIVEN

LOANS FOR WHICH MORTGAGE ON PROPERTY HAS BEEN GIVEN AS A GUARANTEE

	Eur	Rs	Eur	Rs
	31.3.2016	31.3.2016	30.9.2014	30.9.2014
Loans from financial institutions	5,750,000.00	431,077,500.00	6,200,000.00	464,814,000.00
Total	5,750,000.00	431,077,500.00	6,200,000.00	464,814,000.00
Mortgages	10,000,000.00	749,700,000.00	10,000,000.00	749,700,000.00
Total	10,000,000.00	749,700,000.00	10,000,000.00	749,700,000.00

OTHER NOTES

The company is obligated to audit VAT deductions made on its property investments every year for 10 years after completion of the investment, to the extent that the value added taxable use of the property decreases during the period under review.

The maximum liability is EUR 2,377,090.80 (Rs 178,210,497.28) as of 31 March 2016.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 242,640.02 (Rs 18,190,722.30). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Helsinki April 21, 2016

Iiro Rossi
Chair of the Board of Directors

Marko Hiltunen
Board Member

Riku Rauhala
CEO
board member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in retail sale in self-service stores.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of Euro 565,901.07 and (INR 42,425,603.22) and made loss of Euro 78,876.68 (INR 5,913,384.70).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Iiro Rossi, Chair of the Board of Directors
- 2) Jussi Valtola, Board member
- 3) Marko Hiltunen, Board member

Statement of directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Supermarket Capri Oy

Name of Director
Director

Iiro Rossi
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Supermarket Capri Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Supermarket Capri Oy for the year ended 31 March, 2016. The financial statements comprise the consolidated balance sheet, income statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : 26th April, 2016

ACCOUNTING PRINCIPLES

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

- machines and equipment	3-5 yrs
- other tangible assets	5 yrs

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

		Eur	Rs.	Eur	Rs.
	appendix	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016	1.1.2014- 31.12.2014	1.1.2014- 31.12.2014
TURNOVER	1	565,901.07	42,425,603.22	1,684,799.99	126,309,455.25
Other operating income		168,658.38	12,644,318.75	250.00	18,742.50
Materials and services					
Materials, supplies and goods.....		-	-	-	-
Purchases during the financial year		(382,430.74)	(28,670,832.58)	(1,395,002.22)	(104,583,316.43)
Change in inventory		(61,777.75)	(4,631,477.92)	(96,117.28)	(7,205,912.48)
External services		(11,537.34)	(864,954.38)	-	-
		(455,745.83)	(34,167,264.88)	(1,491,119.50)	(111,789,228.92)
Personnel expenses					
Salaries and fees	2	(119,769.95)	(8,979,153.15)	(190,567.51)	(14,286,846.22)
Social security costs.....					
Pension expenses		(22,698.62)	(1,701,715.54)	(36,084.66)	(2,705,266.96)
Other social security costs.....		(4,269.77)	(320,104.66)	(7,318.28)	(548,651.45)
		(146,738.34)	(11,000,973.35)	(233,970.45)	(17,540,764.64)
Depreciation and impairments					
Planned depreciation	3	(67,050.13)	(5,026,748.25)	(166,571.23)	(12,487,845.11)
Other operating expenses					
Other operating expenses	4	(119,816.03)	(8,982,607.77)	(384,945.35)	(28,859,352.89)
		(186,866.16)	(14,009,356.02)	(551,516.58)	(41,347,198.00)
Profit(loss)		(54,790.88)	(4,107,672.27)	(591,556.54)	(44,348,993.80)
Financial income and expenses	5				
Interest income.....		7.93	594.51	6.51	488.05
Interest charges.....					
for companies in the same Group		(16,127.49)	(1,209,077.93)	(6,125.92)	(459,260.22)
for others		(7,966.24)	(597,229.01)	(6,375.00)	(477,933.75)
Total financial income and expenses		(24,085.80)	(1,805,712.43)	(12,494.41)	(936,705.92)
Profit/loss before extraordinary items		(78,876.68)	(5,913,384.70)	(604,050.95)	(45,285,699.72)
Profit before appropriations and taxes		(78,876.68)	(5,913,384.70)	(604,050.95)	(45,285,699.72)
Change in depreciation difference		-	-	-	-
Income taxes		-	-	-	-
Profit/loss for the financial year		(78,876.68)	(5,913,384.70)	(604,050.95)	(45,285,699.72)

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016	1.1.2014- 31.12.2014	1.1.2014- 31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	6				
Other capitalised long-term expenditures....		13,230.56	991,895.08	6,460.06	484,310.70
Tangible assets	7				
Machines and equipment		88,266.35	6,617,328.26	165,988.52	12,444,159.34
Other tangible assets		805.00	60,350.85	568.56	42,624.94
Investments					
Shares and participations		1,000.00	74,970.00	-	-
Total tangible assets		90,071.35	6,752,649.11	166,557.08	12,486,784.29
TOTAL NON-CURRENT ASSETS		90,071.35	6,752,649.11	166,557.08	12,486,784.29
CURRENT ASSETS		103,301.91	7,744,544.19	173,017.14	12,971,094.99
Current assets					
Materials and supplies		15,363.64	1,151,812.09	77,898.80	5,840,073.04
Short-term receivables	8				
Accounts receivable		2,739.81	205,403.56	11,087.65	831,241.12
Receivables from companies in the same Group		257.87	19,332.51	13,382.91	1,003,316.76
Other receivables		1,643.47	123,210.95	10,132.57	759,638.77
Accrued income		17,153.21	1,285,976.15	6,927.49	519,353.93
Total short-term receivables		21,794.36	1,633,923.17	41,530.62	3,113,550.58
Cash and cash equivalents					
Cash at bank		16,798.34	1,259,371.55	56,132.62	4,208,262.52
Total cash and cash equivalents		16,798.34	1,259,371.55	56,132.62	4,208,262.52
TOTAL CURRENT ASSETS		53,956.34	4,045,106.81	175,562.04	13,161,886.14
TOTAL ASSETS		157,258.25	11,789,651.00	348,579.18	26,132,981.12

		Eur	Rs.	Eur	Rs.
	appendix	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016	1.1.2014- 31.12.2014	1.1.2014- 31.12.2014
LIABILITIES					
EQUITY					
	9				
Share capital		100,000.00	7,497,000.00	100,000.00	7,497,000.00
Invested unrestricted equity fund.....		1,023,860.96	76,758,856.17	400,000.00	29,988,000.00
Building fund		-	-	-	-
Profit(loss) from previous years		(928,231.07)	(69,589,483.32)	(324,180.12)	(24,303,783.60)
Profit(loss) for the financial year		(78,876.68)	(5,913,384.70)	(604,050.95)	(45,285,699.72)
TOTAL EQUITY		116,753.21	8,752,988.15	(428,231.07)	(32,104,483.32)
Accumulated appropriations					
Accumulated depreciation difference		-	-	-	-
BORROWED CAPITAL					
Long-term borrowed capital					
	10				
Subordinated loans		-	-	340,000.00	25,489,800.00
Liabilities for others		-	-	122,500.00	9,183,825.00
Liabilities for companies in the same Group...		-	-	127,500.00	9,558,675.00
		-	-	590,000.00	44,232,300.00
Short-term borrowed capital					
	11				
Trade payables		16,334.84	1,224,622.95	66,896.71	5,015,246.35
Liabilities for companies in the same Group....		78.39	5,876.90	73,635.37	5,520,443.69
Other liabilities		3,248.89	243,569.28	2,289.08	171,612.33
Accruals and deferred income	12	20,842.92	1,562,593.71	43,989.09	3,297,862.08
		40,505.04	3,036,662.85	186,810.25	14,005,164.44
TOTAL BORROWED CAPITAL.....		40,505.04	3,036,662.85	776,810.25	58,237,464.44
TOTAL LIABILITIES.....		157,258.25	11,789,651.00	348,579.18	26,132,981.12

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2014 - 31.12.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

NOTES TO THE PROFIT AND LOSS STATEMENT

1. PERSONNEL

Average number	Eur		Rs.	
	1.1.2015-31.3.2016	1.1.2014-31.12.2014	1.1.2015-31.3.2016	1.1.2014-31.12.2014
Officers.....	1	1		
Employees.....	1	6		
TOTAL	2	7		

2. MATERIALS AND SERVICES

	Eur		Rs.	
	1.1.2015-31.3.2016	1.1.2014-31.12.2014	1.1.2015-31.3.2016	1.1.2014-31.12.2014
Outsourced services....	11,537.34	864,954.38	-	-
TOTAL	11,537.34	864,954.38	-	-

3. DEPRECIATION AND OTHER IMPAIRMENTS

	Eur		Rs.	
	1.1.2015-31.3.2016	1.1.2014-31.12.2014	1.1.2015-31.3.2016	1.1.2014-31.12.2014
Other capitalised long-term expenditures	(6,463.87)	(484,596.33)	(94,716.61)	(7,100,904.25)
Machines and equipment...	(59,772.70)	(4,481,159.32)	(50,113.75)	(3,757,027.84)
Other tangible assets	(813.56)	(60,992.59)	(21,740.87)	(1,629,913.02)
TOTAL	(67,050.13)	(5,026,748.25)	(166,571.23)	(12,487,845.11)

4. OTHER OPERATING EXPENSES

	Eur		Rs.	
	1.1.2015-31.3.2016	1.1.2014-31.12.2014	1.1.2015-31.3.2016	1.1.2014-31.12.2014
Marketing expenses	(12,797.25)	(959,409.83)	(13,000.47)	(974,645.24)
Operating and maintenance expenses	(7,266.79)	(544,791.25)	(16,925.67)	(1,268,917.48)
Rents.....	(51,077.22)	(3,829,259.18)	(222,762.55)	(16,700,508.37)
Transport and vehicle expenses	-	-	(27,535.00)	(2,064,298.95)
Other expenses.....	(48,674.77)	(3,649,147.51)	(104,721.66)	(7,850,982.85)
TOTAL	(119,816.03)	(8,982,607.77)	(384,945.35)	(28,859,352.89)

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR 78,876.68 (Rs 5,913,384.70) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

5. FINANCIAL INCOME AND EXPENSES

	Eur		Rs.	
	1.1.2015-31.3.2016	1.1.2014-31.12.2014	1.1.2015-31.3.2016	1.1.2014-31.12.2014
Interest income from companies in the same Group	-	-	-	-
Other interest income.....	7.93	594.5121	6.51	488.0547
TOTAL	7.93	594.5121	6.51	488.0547
Interest expenses to companies in the same Group	(16,127.49)	(1,209,077.93)	(6,125.92)	(459,260.22)
Other interest expenses.....	(7,966.24)	(597,229.01)	(6,375.00)	(477,933.75)
Total interest expenses	(24,093.73)	(1,806,306.94)	(12,500.92)	(937,193.97)
Total financial income and expenses	(24,085.80)	(1,805,712.43)	(12,494.41)	(936,705.92)

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

6. INTANGIBLE ASSETS

Eur	Other capitalised long-term expenditures	Total
	Acquisition cost at the start of the financial year.....	6,650.80
Additions	13,234.37	13,234.37
Adjustments.....	(190.74)	(190.74)
Acquisition cost 31.3.2016	19,694.43	19,694.43
Accumulated planned depreciation at the start of the financial year.....	-	-
Depreciation for the financial year.....	(6,463.87)	(6,463.87)
Impairments.....	-	-
Accumulated planned depreciation at the start of the financial year.....	(6,463.87)	(6,463.87)
Book value 31.3.2016	13,230.56	13,230.56

	Other capitalised long-term expenditures	Total
Rs		
Acquisition cost at the start of the financial year	498,610.48	498,610.48
Additions	992,180.72	992,180.72
Adjustments.....	(14,299.78)	(14,299.78)
Acquisition cost 31.3.2016.....	1,476,491.42	1,476,491.42
Accumulated planned depreciation at the start of the financial year.....	–	–
Depreciation for the financial year.....	(484,596.33)	(484,596.33)
Impairments.....	–	–
Accumulated planned depreciation at the start of the financial year.....	(484,596.33)	(484,596.33)
Book value 31.3.2016.....	991,895.08	991,895.08

7. TANGIBLE ASSETS

	Machines and equipment	Other tangible assets	Total
Eur			
Acquisition cost at the start of the financial year	242,424.22	24,845.00	267,269.22
Additions	4,372.53	1,618.56	5,991.09
Sales	(22,322.00)	–	(22,322.00)
Acquisition cost 31.3.2016.....	224,474.75	26,463.56	250,938.31
Accumulated planned depreciation at the start of the financial year.....	(76,435.70)	(24,276.44)	(100,712.14)
Depreciation for the financial year.....	(59,772.70)	(813.56)	(60,586.26)
Fixed asset adjustments.....	–	(568.56)	(568.56)
Accumulated planned depreciation at the start of the financial year.....	(136,208.40)	(25,658.56)	(161,866.96)
Book value 31.3.2016.....	88,266.35	805.00	89,071.35

	Machines and equipment	Other tangible assets	Total
Rs.			
Acquisition cost at the start of the financial year	18,174,543.77	1,862,629.65	20,037,173.42
Additions	327,808.57	121,343.44	449,152.02
Sales	(1,673,480.34)	–	(1,673,480.34)
Acquisition cost 31.3.2016.....	16,828,872.01	1,983,973.09	18,812,845.10
Accumulated planned depreciation at the start of the financial year 2016.....	(5,730,384.43)	(1,820,004.71)	(7,550,389.14)
Depreciation for the financial year.....	(4,481,159.32)	(60,992.59)	(4,542,151.91)
Impairments.....	–	(42,624.94)	(42,624.94)
Accumulated planned depreciation at the start of the financial year.....	(10,211,543.75)	(1,923,622.24)	(12,135,165.99)
Book value 31.3.2016.....	6,617,328.26	60,350.85	6,677,679.11

8. SHORT-TERM RECEIVABLES

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2014	31.12.2014
Short-term receivables				
Receivables from companies in the same Group.....	–	–	13,382.91	1,003,316.76
Accounts receivable.....	2,997.68	224,736.07	11,087.65	831,241.12
Other receivables	1,643.47	123,210.95	10,132.57	759,638.77
Accrued income	17,153.21	1,285,976.15	6,927.49	519,353.93
TOTAL	21,794.36	1,633,923.17	41,530.62	3,113,550.58

LIABILITIES

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2014	31.12.2014
9. EQUITY				
Share capital 1.1.	100,000.00	7,497,000.00	100,000.00	7,497,000.00
Share capital 31.3.	100,000.00	7,497,000.00	100,000.00	7,497,000.00
Invested unrestricted equity fund 1.1.2015	400,000.00	29,988,000.00	400,000.00	29,988,000.00
Additions	623,860.96	–	–	–
Invested unrestricted equity fund 31.3.....	1,023,860.96	76,758,856.17	400,000.00	29,988,000.00
Profit/loss from prev. financial period 1.10.	(928,231.07)	(69,589,483.32)	(324,180.12)	(24,303,783.60)
Profit/loss for the financial year	(78,876.68)	(5,913,384.70)	(604,050.95)	(45,285,699.72)
Total equity	(1,007,107.75)	(75,502,868.02)	(428,231.07)	(32,104,483.32)

The company has no distributable assets

Transactions during the financial year

Heinon Tukku sold its shares in Heinon Tukku Saimaa Oy to Holiday Club Resorts Oy on 15 January 2015.

An agreement was made to transfer ownership on 31 January 2015. On 16th January 2015, an agreement was made to convert a EUR 127,500.00 (Rs. 9,558,675.00) loan and a EUR 173,400.00 (Rs. 12,999,798.00) subordinated loan into equity.

10 LONG-TERM BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2014	31.12.2014
Subordinated loans				
for companies in the same Group	–	–	173,400.00	12,999,798.00
for others.....	–	–	166,600.00	12,490,002.00
Liabilities for companies in the same Group	–	–	127,500.00	9,558,675.00
Liabilities for others	–	–	122,500.00	9,183,825.00
Total long-term borrowed capital.....	–	–	590,000.00	44,232,300.00

11 SHORT-TERM BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2014	31.12.2014
Liabilities for companies in the same Group				
Trade payables.....	78.39	5,876.90	64,037.45	4,800,887.63
Other liabilities	—	—	—	—
Accruals and deferred income ..	—	—	9,597.92	719,556.06
Total short-term borrowed capital				
Liabilities for others	31.3.2016	31.3.2016	31.12.2014	31.12.2014
Trade payables.....	16,334.84	1,224,622.95	66,896.71	5,015,246.35
Other liabilities	3,248.89	243,569.28	2,289.08	171,612.33
Accruals and deferred income ..	20,842.92	1,562,593.71	43,989.09	3,297,862.08
Total short-term borrowed capital	40,426.65	3,030,785.95	113,174.88	8,484,720.75

12 ITEMS INCLUDED IN ACCRUALS AND DEFERRED INCOME:

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2014	31.12.2014
Items included in accruals and deferred income				
Salaries and holiday pay	18,663.87	1,399,230.33	14,317.1	1,073,352.99
employer pension contribution.....	—	—	13,686.23	1,026,056.66
scrapping of capital assets...	—	—	89,000	6,672,330.00
Accrued interest expense...	—	—	—	—
Other.....	2,179.05	163,363.38	(73,014.24)	(5,473,877.57)
Total.....	20,842.92	1,562,593.71	43,989.09	3,297,862.08

GUARANTEES GIVEN

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2014	31.12.2014
Other liabilities				
Lease liabilities	—	—	678,897.00	50,896,908.09
	—	—	678,897.00	50,896,908.09

Notes to the financial statements compliant with the Limited Liability Companies Act.**Board of Directors' proposal for profit distribution.**

Loss for the financial year EUR 78,876.68 (Rs. 5,913,384.70). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS**DATE AND SIGNATURES**

Helsinki, April 26th, 2016

Iiro Rossi

Chair of the Board of Director

Marko Hiltunen

Board Member

Jussi Valtola

Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy

Authorised Public Accounting Firm

Pekka Hiltunen

Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Lappeenranta.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company made profit of Euro 994.03 (INR 74,522.43).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Iiro Rossi
- 2) Riku Rauhala
- 3) Anne Oravainen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at 31 March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Kylpyläntorni 1

Iiro Rossi
Chair of the Board of Directors

Place: Tampere
Dated: April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Kylpyläntorni 1

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Kylpyläntorni 1 for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place: Tampere
Date: 26th April 2016

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
appendix	1.1.2015- 31.3.2016	1.1.2015- 31.3.2016	1.1.2014- 31.12.2014	1.1.2014- 31.12.2014
Other operating income	3,119.00	233,831.43	0.00	0.00
Property management expenses				
Administration	(1,887.50)	(141,505.88)	(639.19)	(47,920.07)
Property tax	(235.96)	(17,689.92)	(188.77)	(14,152.09)
Total	<u>(2,123.46)</u>	<u>(159,195.80)</u>	<u>(827.96)</u>	<u>(62,072.16)</u>
Profit(loss)	995.54	74,635.63	(827.96)	(62,072.16)
Financial income and expenses				
Interest charges	(1.51)	(113.20)	(1,884.36)	(141,270.47)
Total financial income and expenses	<u>(1.51)</u>	<u>(113.20)</u>	<u>(1,884.36)</u>	<u>(141,270.47)</u>
Profit/loss before extraordinary items	<u>994.03</u>	<u>74,522.43</u>	<u>(2,712.32)</u>	<u>(203,342.63)</u>
Profit before appropriations and taxes	<u>994.03</u>	<u>74,522.43</u>	<u>(2,712.32)</u>	<u>(203,342.63)</u>
Profit/loss for the financial year	<u>994.03</u>	<u>74,522.43</u>	<u>(2,712.32)</u>	<u>(203,342.63)</u>

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
		31.3.2016	31.3.2016	31.12.2014	31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets					
Land areas.....	1	250,566.00	18,784,933.02	250,566.00	18,784,933.02
Total tangible assets		250,566.00	18,784,933.02	250,566.00	18,784,933.02
TOTAL NON-CURRENT ASSETS		250,566.00	18,784,933.02	250,566.00	18,784,933.02
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank		1,014.05	76,023.33	107.83	8,084.02
Total cash and cash equivalents		1,014.05	76,023.33	107.83	8,084.02
TOTAL CURRENT ASSETS		1,014.05	76,023.33	107.83	8,084.02
TOTAL ASSETS		251,580.05	18,860,956.35	250,673.83	18,793,017.04
LIABILITIES					
EQUITY					
Share capital.....	2	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund.....		253,632.60	19,014,836.02	253,632.60	19,014,836.02
Profit(loss) from previous years		(5,593.77)	(419,364.94)	(2,881.45)	(216,022.31)
Profit(loss) for the financial year.....		994.03	74,522.43	(2,712.32)	(203,342.63)
TOTAL EQUITY		251,532.86	18,857,418.51	250,538.83	18,782,896.09
BORROWED CAPITAL					
Short-term borrowed capital					
Other current liabilities	3	0.00	0.00	135.00	10,120.95
Accruals and deferred income		47.19	3,537.83	0.00	0.00
Total short-term borrowed capital		47.19	3,537.83	135.00	10,120.95
TOTAL LIABILITIES		251,580.05	18,860,956.35	250,673.83	18,793,017.04

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

Comparability of the previous financial year data

The reference figures used are from the 1.1.2014 - 31.12.2014 financial period, i.e. a twelve-month period. This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. TANGIBLE ASSETS

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.1.2015	250,566.00	18,784,933.02
Acquisition cost 31.3.2016	250,566.00	18,784,933.02
Book value 31.3.2016	250,566.00	18,784,933.02

2. LIABILITIES

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Invested unrestricted equity fund in the beginning of the year	253,632.60	19,014,836.02	253,632.60	19,014,836.02
Invested unrestricted equity fund in the end of the year	253,632.60	19,014,836.02	253,632.60	19,014,836.02
Profit/loss from prev. financial period	(5,593.77)	(419,364.94)	(2,881.45)	(216,022.31)
Profit/loss for the financial year.....	994.03	74,522.43	(2,712.32)	(203,342.63)
TOTAL EQUITY	251,532.86	18,857,418.51	250,538.83	18,782,896.09

3. BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
Current liabilities for same Group companies.....	0.00	0.00	135.00	10,120.95
Accruals and deferred income.....	47.19	3,537.83	0.00	0.00
Total borrowed capital	47.19	3,537.83	135.00	10,120.95

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	100.00	2,500.00	100.00	2,500.00
TOTAL	100.00	2,500.00	100.00	2,500.00

	2016		2014	
Rs	No.	Rs.	No.	Rs.
1 vote/share	100.00	187,425.00	100.00	187,425.00
TOTAL	100.00	187,425.00	100.00	187,425.00

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

In the deed dated 29 October 2013, Kiinteistö Oy Kylpyläntorni 1 is obligated to refrain from selling or otherwise transferring undeveloped lots to any party other than those given advance approval by the City based on a written application submitted to it.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki 21st April, 2016

Iiro Rossi

Chair of the Board of Director

Riku Rauhala

Board Member

Anne Oravainen

Board Member

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 994.03 (Rs 74,522.43). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy

Authorised Public Accounting Firm

Pekka Hiitunen

Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Lappeenranta.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 3,258.45 (INR 244,286.00).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Mikko Litmanen

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Spa Lofts 2

Riku Rauhala

Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Spa Lofts 2

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Spa Lofts 2 for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place: Tampere,
Date: April 26, 2016

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the

Holiday Club Resorts Group headquarters. Hitsaajankatu 22,00810 Helsinki.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs
	1.1.2015	1.1.2015
	-31.3.2016	-31.3.2016
Property management expenses		
Administration	(601.70)	(45,109.45)
Outdoor area management	(2,430.40)	(182,207.09)
Property tax	(170.25)	(12,763.64)
Total	<u>(3,202.35)</u>	<u>(240,080.18)</u>
Profit(loss)	(3,202.35)	(240,080.18)
Financial income and expenses		
Interest charges	(56.10)	(4,205.82)
Total financial income and expenses	<u>(56.10)</u>	<u>(4,205.82)</u>
Profit/loss before extraordinary items	<u>(3,258.45)</u>	<u>(244,286.00)</u>
Profit before appropriations and taxes	<u>(3,258.45)</u>	<u>(244,286.00)</u>
Profit/loss for the financial year	<u>(3,258.45)</u>	<u>(244,286.00)</u>

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 31.12.2014	Rs. 31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		142,350.28	10,672,000.49	142,350.28	10,672,000.49
Total tangible assets.....		<u>142,350.28</u>	<u>10,672,000.49</u>	<u>142,350.28</u>	<u>10,672,000.49</u>
TOTAL NON-CURRENT ASSETS		<u>142,350.28</u>	<u>10,672,000.49</u>	<u>142,350.28</u>	<u>10,672,000.49</u>
CURRENT ASSETS					
Cash and cash equivalents					
Cash at bank.....		3,562.09	267,049.89	0.00	0.00
Total cash and cash equivalents		<u>3,562.09</u>	<u>267,049.89</u>	<u>0.00</u>	<u>0.00</u>
TOTAL CURRENT ASSETS.....		<u>3,562.09</u>	<u>267,049.89</u>	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS		<u>145,912.37</u>	<u>10,939,050.38</u>	<u>142,350.28</u>	<u>10,672,000.49</u>
LIABILITIES					
EQUITY					
Share capital	2	2,500.00	187,425.00	2,500.00	187,425.00
Building fund.....		139,130.28	10,430,597.09	139,130.28	10,430,597.09
Invested unrestricted equity fund		6,291.29	471,658.01	0.00	0.00
Profit(loss) from previous years		0.00	0.00	0.00	0.00
Profit(loss) for the financial year		(3,258.45)	(244,286.00)	0.00	0.00
TOTAL EQUITY		<u>144,663.12</u>	<u>10,845,394.11</u>	<u>141,630.28</u>	<u>10,618,022.09</u>
BORROWED CAPITAL					
Short-term borrowed capital	3				
Other current liabilities		0.00	0.00	720.00	53,978.40
Accruals and deferred income		1,249.25	93,656.27	0.00	0.00
Total short-term borrowed capital		<u>1,249.25</u>	<u>93,656.27</u>	<u>720.00</u>	<u>53,978.40</u>
TOTAL LIABILITIES.....		<u>145,912.37</u>	<u>10,939,050.38</u>	<u>142,350.28</u>	<u>10,672,000.49</u>

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. TANGIBLE ASSETS

	Eur	Rs
	Land areas	Land areas
Acquisition cost 1.1.2016	142,350.28	10,672,000.49
Acquisition cost 31.3.2016	142,350.28	10,672,000.49
Book value 31.3.2016	142,350.28	10,672,000.49

2. LIABILITIES

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Building fund in the beginning of the year	139,130.28	10,430,597.09	139,130.28	10,430,597.09
Building fund in the end of the year	139,130.28	10,430,597.09	139,130.28	10,430,597.09
Invested unrestricted equity fund in the beginning of the year	0.00	0.00	0.00	0.00
Additions	6,291.29	471,658.01	0.00	0.00
Invested unrestricted equity fund in the end of the year	6,291.29	471,658.01	0.00	0.00
Profit/loss from prev. financial period	0.00	0.00	0.00	0.00
Profit/loss for the financial year	(3,258.45)	(244,286.00)	0.00	0.00
TOTAL EQUITY	144,663.12	10,845,394.11	141,630.28	10,618,022.09

3. SHORT-TERM BORROWED CAPITAL

	Eur	Rs	Eur	Rs
	2016	2016	2014	2014
Current liabilities for same Group companies	0.00	0.00	720.00	53,978.40
Accruals and deferred income	1,249.25	93,656.27	0.00	0.00
Total short-term borrowed capital	1,249.25	93,656.27	720.00	53,978.40

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	100.00	2,500.00	100.00	2,500.00
TOTAL	100.00	2,500.00	100.00	2,500.00

	2016		2014	
Rs	No.	Rs	No.	Rs
1 vote/share	100.00	187,425.00	100.00	187,425.00
TOTAL	100.00	187,425.00	100.00	187,425.00

OTHER NOTES**Easements**

The company is hereby obligated under the following easement agreements:

Easement agreement signed on 31 May 2011. Concerns motor vehicle road and pedestrian access and rescue services access.

Easement agreement signed on 29 October 2014. Kiinteistö Oy Lappeenranta-owned Saimaan Kreivi is entitled to build three parking spaces and rescue services access.

Easement agreement signed on 31 December 2014. Spa Lofts 2 is entitled to build rescue services access to the Saimaan Action Park Oy lot.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution.

Loss for the financial year EUR 3,258.45 (Rs. 244,286.00). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS**DATE AND SIGNATURES**

Helsinki April 21, 2016

Riku Rauhala
Chair of the Board of Directors

Tapio Anttila
Board Member

Anne Oravainen
Board Member

Mikko Litmanen
CEO

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2015 and ended on March 31, 2016.

Operations/State Of The Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Lappeenranta.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 3,536.75 (INR 265,150.15).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Tapio Anttila
- 4) Mikko Litmanen

Statement Of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent To Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue Of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Spa Lofts 3

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Spa Lofts 3

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Spa Lofts 3 for the year ended 31 March, 2016. The financial statements comprise the consolidated balance sheet, income statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : April 26, 2016

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the

Holiday Club Resorts Group headquarters. Hitsajankatu 22,00810 Helsinki.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

	Eur	Rs.
	1.1.2015-31.3.2016	1.1.2015-31.3.2016
Property management expenses		
Administration.....	(602.82)	(45,193.42)
Outdoor area management	(2,430.40)	(182,207.09)
Property tax	(456.83)	(34,248.55)
Total	<u>(3,490.05)</u>	<u>(261,649.05)</u>
Profit(loss)	(3,490.05)	(261,649.05)
Financial income and expenses		
Interest income.....	0.00	0.00
Interest charges.....	(46.70)	(3,501.10)
Total financial income and expenses	<u>(46.70)</u>	<u>(3,501.10)</u>
Profit/loss before extraordinary items	<u>(3,536.75)</u>	<u>(265,150.15)</u>
Profit before appropriations and taxes	<u>(3,536.75)</u>	<u>(265,150.15)</u>
Profit/loss for the financial year	<u>(3,536.75)</u>	<u>(265,150.15)</u>

BALANCE SHEET

	appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 31.12.2014	Rs. 31.12.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	1				
Land areas.....		140,090.60	10,502,592.28	140,090.60	10,502,592.28
Total tangible assets		140,090.60	10,502,592.28	140,090.60	10,502,592.28
TOTAL NON-CURRENT ASSETS		140,090.60	10,502,592.28	140,090.60	10,502,592.28
CURRENT ASSETS					
Short-term receivables					
Cash and cash equivalents					
Cash at bank		3,531.69	264,770.80	0.00	0.00
Total cash and cash equivalents		3,531.69	264,770.80	0.00	0.00
TOTAL CURRENT ASSETS		3,531.69	264,770.80	0.00	0.00
TOTAL ASSETS		143,622.29	10,767,363.08	140,090.60	10,502,592.28
LIABILITIES					
EQUITY					
Share capital	2	2,500.00	187,425.00	2,500.00	187,425.00
Building fund.....		137,110.60	10,279,181.68	137,110.60	10,279,181.68
Invested unrestricted equity fund		6,241.89	467,954.49	0.00	0.00
Profit(loss) from previous years		0.00	0.00	0.00	0.00
Profit(loss) for the financial year		(3,536.75)	(265,150.15)	0.00	0.00
TOTAL EQUITY		142,315.74	10,669,411.03	139,610.60	10,466,606.68
BORROWED CAPITAL					
Short-term borrowed capital					
Other current liabilities	3	0.00	0.00	480.00	35,985.60
Accruals and deferred income		1,306.55	97,952.05	0.00	0.00
Total short-term borrowed capital		1,306.55	97,952.05	480.00	35,985.60
TOTAL LIABILITIES		143,622.29	10,767,363.08	140,090.60	10,502,592.28

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. TANGIBLE ASSETS

	Eur	Rs.
	Land areas	Land areas
Acquisition cost 1.1.2015	140,090.60	10,502,592.28
Acquisition cost 31.3.2016	140,090.60	10,502,592.28
Book value 31.3.2016	140,090.60	10,502,592.28

2. LIABILITIES

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
EQUITY				
Share capital in the beginning of the year.....	2,500.00	187,425.00	2,500.00	187,425.00
Share capital in the end of the year	2,500.00	187,425.00	2,500.00	187,425.00
Building fund in the beginning of the year.....	137,110.60	10,279,181.68	137,110.60	10,279,181.68
Building fund in the end of the year	137,110.60	10,279,181.68	137,110.60	10,279,181.68
Invested unrestricted equity fund in the beginning of the year	0.00	0.00	0.00	0.00
Additions	6,241.89	467,954.49	0.00	0.00
Invested unrestricted equity fund in the end of the year	6,241.89	467,954.49	0.00	0.00
Profit/loss from prev. financial period	0.00	0.00	0.00	0.00
Profit/loss for the financial year.....	(3,536.75)	(265,150.15)	0.00	0.00
TOTAL EQUITY	142,315.74	10,669,411.03	139,610.60	10,466,606.68

3. SHORT-TERM BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
Current liabilities for same Group companies.....	0.00	0.00	480.00	35,985.60
Accruals and deferred income.....	1,306.55	97,952.05	0.00	0.00
Total borrowed capital	1,306.55	97,952.05	480.00	35,985.60

BREAKDOWN OF SHARE CAPITAL

	2016		2014	
Eur	No.	Eur	No.	Eur
1 vote/share	100.00	2,500.00	100.00	2,500.00
TOTAL	100.00	2,500.00	100.00	2,500.00

	2016		2014	
Rs	No.	Rs.	No.	Rs.
1 vote/share	100.00	187,425.00	100.00	187,425.00
TOTAL	100.00	187,425.00	100.00	187,425.00

OTHER NOTES

Easements

The company is hereby obligated under the following easement agreements:

Easement agreement signed on 31 May 2011. Concerns motor vehicle road and pedestrian access and rescue services access.

Easement agreement signed on 29 October 2014. Spa Lofts 2 is entitled to build five parking spaces and rescue services access.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 21, 2016

Riku Rauhala
Chair of the Board of Director

Tapio Anttila
Board Member

Anne Oravainen
Board Member

Mikko Litmanen
CEO

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution.

Loss for the financial year Euro 3,536.75 (Rs. 265,150.15). The Board of Directors proposes to the Annual General Meeting that that the loss be transferred to equity and that no dividends be distributed.

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Kuusamo.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of Euro 22,842.00 (INR 1,712,464.74) and made profit of Euro 6,702.72 (INR 502,502.92).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Henri Nuora

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Kiinteistö Oy Kuusamon Pulkkajärvi 1

Riku Rauhala
Chair of the Board of Directors

Place : Tampere

Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Kuusamon Pulkajärvi 1.

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Kiinteistö Oy Kuusamon Pulkajärvi 1 for the year ended 31st March, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : 26th April, 2016

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
Appendix	1.10.2014 -31.3.2016	1.10.2014 -31.3.2016	1.10.2013 -30.9.2014	1.10.2013 -30.9.2014
TURNOVER				
Rent income	22,842.00	1,712,464.74	15,228.00	1,141,643.16
Total	<u>22,842.00</u>	<u>1,712,464.74</u>	<u>15,228.00</u>	<u>1,141,643.16</u>
Depreciation				
	1			
Buildings and structures	(6,472.26)	(485,225.33)	(4,494.60)	(336,960.16)
Total	<u>(6,472.26)</u>	<u>(485,225.33)</u>	<u>(4,494.60)</u>	<u>(336,960.16)</u>
Property management expenses				
Administration	(1,128.48)	(84,602.15)	(705.56)	(52,895.83)
Water and sewage	(71.33)	(5,347.61)	51.71	3,876.70
Electricity	(2,324.26)	(174,249.77)	(2,051.87)	(153,828.69)
Property tax	(516.50)	(38,722.01)	(267.17)	(20,029.73)
Repairs	-	-	(140.16)	(10,507.80)
Other expenses	-	-	(38.67)	(2,899.09)
Total	<u>(4,040.57)</u>	<u>(302,921.53)</u>	<u>(3,151.72)</u>	<u>(236,284.45)</u>
Profit(loss)	12,329.17	924,317.87	7,581.68	568,398.55
Financial income and expenses				
Interest charges	(3,946.24)	(295,849.61)	(3,286.76)	(246,408.40)
Total financial income and expenses	<u>(3,946.24)</u>	<u>(295,849.61)</u>	<u>(3,286.76)</u>	<u>(246,408.40)</u>
Profit/loss before extraordinary items	8,382.93	628,468.26	4,294.92	321,990.15
Profit before appropriations and taxes	<u>8,382.93</u>	<u>628,468.26</u>	<u>4,294.92</u>	<u>321,990.15</u>
Other direct taxes				
Direct taxes	(1,680.21)	(125,965.34)	(858.98)	(64,397.73)
Total	<u>(1,680.21)</u>	<u>(125,965.34)</u>	<u>(858.98)</u>	<u>(64,397.73)</u>
Profit/loss for the financial year	<u>6,702.72</u>	<u>502,502.92</u>	<u>3,435.94</u>	<u>257,592.42</u>

BALANCE SHEET

	Appendix	Eur 31.3.2016	Rs. 31.3.2016	Eur 30.9.2014	Rs. 30.9.2014
ASSETS					
NON-CURRENT ASSETS					
Tangible assets	2				
Land areas.....		248,581.74	18,636,173.05	248,581.74	18,636,173.05
Buildings and structures.....		101,399.81	7,601,943.76	107,872.07	8,087,169.09
Total tangible assets.....		349,981.55	26,238,116.80	356,453.81	26,723,342.14
TOTAL NON-CURRENT ASSETS.....		349,981.55	26,238,116.80	356,453.81	26,723,342.14
CURRENT ASSETS					
Short-term receivables	3				
Accrued income.....		44.36	3,325.67	85.00	6,372.45
Total short-term receivables.....		44.36	3,325.67	85.00	6,372.45
Cash and cash equivalents					
Cash at bank.....		13,681.31	1,025,687.81	23,183.96	1,738,101.48
Total cash and cash equivalents.....		13,681.31	1,025,687.81	23,183.96	1,738,101.48
TOTAL CURRENT ASSETS.....		13,725.67	1,029,013.48	23,268.96	1,744,473.93
TOTAL ASSETS.....		363,707.22	27,267,130.28	379,722.77	28,467,816.07
LIABILITIES					
EQUITY					
Share capital.....	4	2,522.81	189,135.07	2,522.81	189,135.07
Building fund.....		82,860.58	6,212,057.68	82,860.58	6,212,057.68
Other equity.....		170,766.78	12,802,385.50	170,766.78	12,802,385.50
Profit(loss) from previous years.....		10,571.70	792,560.35	7,135.76	534,967.93
Profit(loss) for the financial year.....		6,702.72	502,502.92	3,435.94	257,592.42
TOTAL EQUITY.....		273,424.59	20,498,641.51	266,721.87	19,996,138.59
BORROWED CAPITAL					
Short-term borrowed capital	5				
Other loans group companies.....		89,711.08	6,725,639.67	112,168.06	8,409,239.46
Accruals and deferred income.....		571.55	42,849.10	832.84	62,438.01
Total short-term borrowed capital.....		90,282.63	6,768,488.77	113,000.90	8,471,677.47
TOTAL LIABILITIES.....		363,707.22	27,267,130.28	379,722.77	28,467,816.07

ACCOUNTING PRINCIPLES

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

4% of the buildings were written off during the financial year.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013-30.9.2014 financial period, i.e. a twelve-month period. This shall be taken into account when comparing financial years.

The company belongs to the Holiday Club Resorts Oy group.

The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsajankatu 22, 00810 Helsinki.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE PROFIT AND LOSS STATEMENT

1. Depreciation and impairments

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Buildings and structures	6,472.26	485,225.33	4,494.60	336,960.16
Total	6,472.26	485,225.33	4,494.60	336,960.16

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

2. Tangible assets

Eur	Land areas	Buildings and structures	Total
Acquisition cost 1.10.2014	248,581.74	116,985.23	365,566.97
Additions	-	-	-
Acquisition cost 31.3.2016	248,581.74	116,985.23	365,566.97
Accumulated depreciation 1.10.2014	-	9,113.16	9,113.16
Depreciation for the financial year	-	6,472.26	6,472.26
Book value 31.3.2016	248,581.74	101,399.81	349,981.55

Rs	Land areas	Buildings and structures	Total
Acquisition cost 1.10.2014	18,636,173.05	8,770,382.69	27,406,555.74
Additions	-	-	-
Acquisition cost 31.3.2016	18,636,173.05	8,770,382.69	27,406,555.74
Accumulated depreciation 1.10.2014	-	683,213.61	683,213.61
Depreciation for the financial year	-	485,225.33	485,225.33
Book value 31.3.2016	18,636,173.05	7,601,943.76	26,238,116.80

CURRENT ASSETS

RECEIVABLES

3. Short-term receivables

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Other accrued income	44.36	3,325.67	85.00	6,372.45
Total	44.36	3,325.67	85.00	6,372.45

LIABILITIES

4. Equity

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Share capital in the beginning of the year	2,522.81	189,135.07	2,522.81	189,135.07
Share capital in the end of the year	2,522.81	189,135.07	2,522.81	189,135.07
Building fund in the beginning of the year	82,860.58	6,212,057.68	82,860.58	6,212,057.68
Building fund in the end of the year	82,860.58	6,212,057.68	82,860.58	6,212,057.68
Other restricted equity in the beginning of the year	170,766.78	12,802,385.50	170,766.78	12,802,385.50
Other restricted equity in the end of the year	170,766.78	12,802,385.50	170,766.78	12,802,385.50
Profit/loss from prev. financial period	10,571.70	792,560.35	7,135.76	534,967.93

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Profit/loss for the financial year	6,702.72	502,502.92	3,435.94	257,592.42
Total equity	273,424.59	20,498,641.51	266,721.87	19,996,138.59

5. Short-term borrowed capital

	Eur 2016	Rs 2016	Eur 2014	Rs 2014
Other loans group companies	89,711.08	6,725,639.67	112,168.06	8,409,239.46
Accruals and deferred income	571.55	42,849.10	576.00	43,182.72
Tax liabilities	-	-	256.84	19,255.29
Total borrowed capital	90,282.63	6,768,488.77	113,000.90	8,471,677.47

BREAKDOWN OF SHARE CAPITAL

Eur	2016 No.	Eur	2014 No.	Eur
1 vote/share	30.00	2,522.81	30.00	2,522.81
Total	30.00	2,522.81	30.00	2,522.81

Rs	2016 No.	Rs	2014 No.	Rs
1 vote/share	30.00	189,135.07	30.00	189,135.07
Total	30.00	189,135.07	30.00	189,135.07

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Profit for the financial year EUR 6,702.72 (Rs 502,502.92). The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

Helsinki April 21st 2016

Riku Rauhala
Chair of the Board of Directors

Henri Nuora
CEO/board member

Anne Oravainen
board member

AUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 1, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of estate.

The Company is located at Turku.

There have been no significant changes in the nature of the principal activities during the financial period under review. Further, the Shareholder at their extraordinary general meeting has approved the liquidation process of the Company. Accordingly, Liquidator has been appointed.

Financial Highlights

The results for the financial period and financial position of the Company are as shown in the annexed Financial Statements.

During the period under review, the Company has made loss of Euro 1,382.83 (INR 103,670.77).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Riku Rauhala
- 2) Anne Oravainen
- 3) Iiro Rossi

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion

of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is wholly owned subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Caribia Service Oy

Riku Rauhala
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

For the general meeting of Caribia Service Oy, which is in liquidation.

We have audited the books and records, the financial statements, and administration of Caribia Service Oy, which was placed into liquidation on 4 January 2016, for the accounting period from 1 October 2014 to 31 March 2016. The financial statements include the statement of financial position, income statement and notes.

Liquidator's responsibility

The liquidator is responsible for drawing up the final account and ensuring that it gives true and fair information in accordance with the regulations on drawing up a final account valid in Finland. The liquidator is responsible for organising the appropriate monitoring of the books and records and financial management, and for ensuring that the books and records are legal and that the financial management is organised in reliable manner.

Auditor's Responsibility

It is our responsibility to provide an opinion on the financial statements and items required by the Limited Liability Companies Act based on the audit we have conducted. The Auditing Act requires us to adhere to the principles of professional ethics. We conducted the audit according to the good accounting practice observed in Finland. Good accounting practice requires us to plan and conduct an audit in order to obtain reasonable assurance of whether the financial statements or annual report contain material misstatements and whether members of the board, the chief executive officer or liquidator have perpetrated acts or derelictions that might result in indemnity liability to the company or have violated the Limited Liability Companies Act or the articles of association.

The audit involves procedures to obtain audit evidence on the figures and other information presented in the financial statements and annual report. The procedures are chosen

based on the auditor's judgement, which includes the assessment of the risks of material misstatement due to fraud or error. In the assessment of these risks, the auditor considers internal control that is significant to the company for the drawing up of financial statements and an annual report that give true and fair information. The auditor assesses the internal control in order to be able to plan audit procedures that are appropriate for the situation, but not for the purpose of giving an opinion on the effectiveness of the company's internal control. The audit also involves assessment of the appropriateness of the accounting policies applied, the reasonableness of the accounting estimates drawn up by the liquidator and the general presentation of the financial statements and annual report.

It is our understanding that we have obtained the necessary amount of appropriate audit evidence on which to base our opinion.

Opinion on the financial statements and annual report.

As our opinion, we present that the financial statements give true and fair information about the company's result and financial position in accordance with the regulations on drawing up financial statements valid in Finland.

Other statutory opinions.

It is our opinion that the liquidation has not been needlessly prolonged and that the liquidator has otherwise acted appropriately.

Tampere, 26 April 2016

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

PROFIT AND LOSS STATEMENT

	Eur	Rs.	Eur	Rs.
	01.10.2014- 31.03.2016	01.10.2014- 31.03.2016	01.10.2013- 30.09.2014	01.10.2013- 30.09.2014
Other operating expenses.....	1,365.55	102,375.28	837.27	62,770.13
PROFIT	(1,365.55)	(102,375.28)	(837.27)	(62,770.13)
Financial income and expenses	17.28	1,295.48	–	–
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS.....	(1,382.83)	(103,670.77)	(837.27)	(62,770.13)
PROFIT BEFORE APPROPRIATIONS AND TAXES.....	(1,382.83)	(103,670.77)	(837.27)	(62,770.13)
LOSS FOR THE FINANCIAL YEAR	(1,382.83)	(103,670.77)	(837.27)	(62,770.13)

BALANCE SHEET

	Eur	Rs.	Eur	Rs.
appendix	31.03.2016	31.03.2016	30.09.2014	30.09.2014
ASSETS				
CURRENT ASSETS				
Time shares	2,540.00	190,423.80	2,540.00	190,423.80
Total current assets	2,540.00	190,423.80	2,540.00	190,423.80
Short-term receivables				
Cash and cash equivalents				
Cash at bank	1,605.53	120,366.58	601.07	45,062.22
Total cash and cash equivalents	1,605.53	120,366.58	601.07	45,062.22
TOTAL CURRENT ASSETS	4,145.53	310,790.38	3,141.07	235,486.02
TOTAL ASSETS	4,145.53	310,790.38	3,141.07	235,486.02
LIABILITIES				
EQUITY				
	1			
Share capital	8,000.00	599,760.00	8,000.00	599,760.00
Invested unrestricted equity fund	2,387.29	178,975.13	-	-
Profit from previous years	(4,858.93)	(364,273.98)	(4,021.66)	(301,503.85)
Profit(loss) for the financial year	(1,382.83)	(103,670.77)	(837.27)	(62,770.13)
TOTAL EQUITY	4,145.53	310,790.38	3,141.07	235,486.02
LIABILITIES	4,145.53	310,790.38	3,141.07	235,486.02

NOTES TO THE FINANCIAL STATEMENTS

Caribia Service Oy is a fully-owned subsidiary of Kongressi- ja Kylpylähotelli Caribia Oy and belongs to the Group whose parent company is Holiday Club Resorts Oy (domicile: Helsinki).

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

No sub-group financial statements have been drafted.

Comparability of the previous financial year data

The reference figures used are from the 1.10.2013 – 30.9.2014 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

Liquidation process

Caribia Service Oy has been registered to be under liquidation process. The decision over liquidation was made in extraordinary general meeting on 4th of January 2016.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

NOTES TO THE BALANCE SHEET

LIABILITIES

1. EQUITY

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
Share capital in the beginning of the year	8,000.00	599,760.00	8,000.00	599,760.00
Share capital in the end of the year	8,000.00	599,760.00	8,000.00	599,760.00
Invested unrestricted equity fund in the beginning of the year				
Additions	2,387.29	178,975.13	-	-
Invested unrestricted equity fund in the end of the year	2,387.29	178,975.13	-	-
Profit from previous years	(4,858.93)	(364,273.98)	(4,021.66)	(301,503.85)
Loss for the financial year	(1,382.83)	(103,670.77)	(837.27)	(62,770.13)
TOTAL EQUITY	4,145.53	310,790.38	3,141.07	235,486.02

CALCULATION OF DISTRIBUTABLE FUNDS

	Eur	Rs.	Eur	Rs.
	2016	2016	2014	2014
Unrestricted shareholders equity				
Profit from previous years	(4,858.93)	(364,273.98)	(4,021.66)	(301,503.85)
Invested unrestricted equity fund	2,387.29	178,975.13	-	-
Loss for the financial year	(1,382.83)	(103,670.77)	(837.27)	(62,770.13)
	(3,854.47)	(288,969.62)	(4,858.93)	(364,273.98)

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR 1,382.83 (Rs. 103,670.77). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

Company shares

The Company holds 100 shares, whose nominal value is EUR 80.00 (Rs. 5,997.60). Each share entitles the holder to one vote at the Annual General Meeting.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 21, 2016

Anne Oravainen
Liquidator

AAUDITOR'S NOTE

A report of the audit has been submitted today.

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm

Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from January 1, 2016 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in letting of arena and holding events.

The Company's Resort property located at Tampere, was fully operational.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of Euro 178,120 (INR 13,353,656.40) and made profit of Euro 4.60 (INR 344.86).

Dividends

No Dividend was proposed for the financial period under review.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Marko Hiltunen, Chair of the Board of Directors
- 2) Jussi Valtola, Board member

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company was associate company of Holiday Club Resorts Oy (HCR) till 18th January, 2016. Consequent to increase its stake from 24% to 100% by HCR, the Company became wholly owned subsidiary of HCR and in turn subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Saimaa Gardens Arena Oy

Marko Hiltunen
Chair of the Board of Directors

Place : Tampere
Dated : April 21, 2016

AUDITOR'S REPORT

To the Annual General Meeting of Saimaa Gardens Arena Oy.

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Saimaa Gardens Arena Oy for the year ended March 31, 2016. The financial statements comprise the consolidated balance sheet, income statement and the notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of directors is consistent with the information in the financial statements.

PricewaterhouseCoopers Oy
Authorised Public Accountants

Pekka Hiltunen
Authorised Public Accountant

Place : Tampere
Dated : May 10, 2016

ACCOUNTING PRINCIPLES

Current assets

Receivables and liabilities have been valued at the nominal value.

FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 74.97 = FC 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India.

PROFIT AND LOSS STATEMENT

		Eur	Rs.	Eur	Rs.
	appendix	1.1.2016- 31.3.2016	1.1.2016- 31.3.2016	1.1.2015- 31.12.2015	1.1.2015- 31.12.2015
TURNOVER		178,120.00	13,353,656.40	389,333.32	29,188,319.00
Other operating expenses	1	(178,120.51)	(13,353,694.63)	(388,763.93)	(29,145,631.83)
Total		(178,120.51)	(13,353,694.63)	569.39	42,687.17
Profit(loss)		(0.51)	(38.23)	569.39	42,687.17
Financial income and expenses	2				
Interest income.....		6.26	469.31	45.72	3,427.63
Interest charges.....		-	-	(153.58)	(11,513.89)
Total financial income and expenses		6.26	469.31	(107.86)	(8,086.26)
Profit/loss before extraordinary items		5.75	431.08	461.53	34,600.90
Profit before appropriations and taxes		5.75	431.08	461.53	34,600.90
Income taxes		1.15	86.22	92.31	6,920.48
Profit/loss for the financial year		4.60	344.86	369.22	27,680.42

BALANCE SHEET

		Eur	Rs.	Eur	Rs.
	appendix	1.1.2016- 31.3.2016	1.1.2016- 31.3.2016	1.1.2015- 31.12.2015	1.1.2015- 31.12.2015
ASSETS					
CURRENT ASSETS					
Short-term receivables					
Accrued income	3	120,677.39	9,047,183.93	101,680.00	7,622,949.60
Total short-term receivables		120,677.39	9,047,183.93	101,680.00	7,622,949.60
Cash and cash equivalents					
Cash at bank		62,876.80	4,713,873.70	10,867.13	814,708.74
Total cash and cash equivalents		62,876.80	4,713,873.70	10,867.13	814,708.74
TOTAL CURRENT ASSETS		183,554.19	13,761,057.62	112,547.13	8,437,658.34
TOTAL ASSETS		183,554.19	13,761,057.62	112,547.13	8,437,658.34
LIABILITIES					
EQUITY					
Share capital.....	4	2,500.00	187,425.00	2,500.00	187,425.00
Profit(loss) from previous years		220.57	16,536.13	(148.65)	(11,144.29)
Profit(loss) for the financial year.....		4.60	344.86	369.22	27,680.42
TOTAL EQUITY		2,725.17	204,305.99	2,720.57	203,961.13
BORROWED CAPITAL					
Short-term borrowed capital	5	180,829.02	13,556,751.63	109,826.56	8,233,697.20
Total short-term borrowed capital		180,829.02	13,556,751.63	109,826.56	8,233,697.20
TOTAL LIABILITIES		183,554.19	13,761,057.62	112,547.13	8,437,658.34

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

Comparability of the previous financial year data

The reference figures used are from the 1.1.2015 – 31.12.2015 financial period, i.e. a twelve-month period.

This shall be taken into account when comparing financial years.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a profit of EUR 4.60 (Rs. 344.86) be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

NOTES TO THE PROFIT AND LOSS STATEMENT

TURNOVER

1. OTHER OPERATING EXPENSES

	Eur	Rs.	Eur	Rs.
	1.1.2016- 31.3.2016	1.1.2016- 31.3.2016	1.1.2015- 31.12.2015	1.1.2015- 31.12.2015
Rents and payments	41,000.00	3,073,770.00	123,000.00	9,221,310.00
Property management expenses	135,504.48	10,158,770.87	261,601.83	19,612,289.20
Other business expenses.....	1,616.03	121,153.77	4,162.10	312,032.64
Total	178,120.51	13,353,694.63	388,763.93	29,145,631.83

2. FINANCIAL INCOME AND EXPENSES

Other interest income	6.26	469.31	45.72	3,427.63
Total interest income	6.26	469.31	45.72	3,427.63

Interest income from long-term

investments and other interest income	6.26	469.31	45.72	3,427.63
Total				

Interest expenses and other financial expenses

Other interest expenses	-	-	153.58	11,513.89
Total interest expenses	-	-	153.58	11,513.89

Total financial income and expenses.....	6.26	469.31	(107.86)	(8,086.26)
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NOTES TO THE BALANCE SHEET

ASSETS

CURRENT ASSETS

RECEIVABLES

3. SHORT-TERM RECEIVABLES

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2015	31.12.2015
Accounts receivable	116,708.80	8,749,658.74	101,680.00	7,622,949.60
Total	116,708.80	8,749,658.74	101,680.00	7,622,949.60

NOTES TO THE FINANCIAL STATEMENTS

4. EQUITY

LIABILITIES	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2015	31.12.2015
Share capital 1.1.....	2,500.00	187,425.00	2,500.00	187,425.00
Share capital 31.12.	2,500.00	187,425.00	2,500.00	187,425.00
Share capital 31.3.	2,500.00	187,425.00	2,500.00	187,425.00
Profit/loss from prev. financial period 1.1.....	220.57	16,536.13	(148.65)	(11,144.29)
Profit/loss for the financial year.....	4.60	344.86	369.22	27,680.42
Total equity	2,725.17	204,305.99	2,720.57	203,961.13

CALCULATION OF DISTRIBUTABLE FUNDS	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2015	31.12.2015
Profit/loss from the previous financial year	220.57	16,536.13	(148.65)	(11,144.29)
Profit/loss for the financial year.....	4.6	344.86	369.22	27,680.42
Total	225.17	16,880.99	220.57	16,536.13

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution.

Profit for the financial year EUR 4.60 (Rs. 344.86). The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

5. SHORT-TERM BORROWED CAPITAL

	Eur	Rs.	Eur	Rs.
	31.3.2016	31.3.2016	31.12.2015	31.12.2015
Trade payables	12,710.00	952,868.70	99,548.90	7,463,181.03
Other liabilities	–	–	10,185.35	763,595.69
Accruals and deferred income.....	168,119.02	12,603,882.93	92.31	6,920.48
Total short-term borrowed capital	180,829.02	13,556,751.63	109,826.56	8,233,697.20

OTHER NOTES

The company has leased the Rauhan Monitoimihalli from the City of Lappeenranta. The lease entered into effect on 1.1.2012. The lease term is fifteen (15) years and will remain in effect indefinitely upon its expiration, if either party fails to confirm expiration of the agreement.

AUDITOR'S NOTE

A report of the audit has been submitted today.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki, April 21, 2016

Marko Hiltunen
Chair of the Board of Directors

Jussi Valtola
board member

PricewaterhouseCoopers Oy
Authorised Public Accounting Firm
Pekka Hiltunen
Authorised Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from October 29, 2015 and ended on March 31, 2016.

Operations/State of The Company's Affairs

The Company is primarily engaged in hotel operating business with associated spa, indoor pools and restaurants.

The Company's Resort property located at Åre, was fully operational.

The Company was taking over Hotel operation on December 1, 2015.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of SEK 55,566,169 (INR 453,975,601) and made profit of SEK 1,753,318 (INR 14,324,608).

Dividends

The Board of Directors proposes a Dividend of SEK 13,753,318 (INR 112,364,608) for the period ended March 31, 2016.

Directors

The Directors shown below have held office during the financial period under review:

- 1) Vesa Tengman
- 2) Marko Hiltunen
- 3) Mats Svensson

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results

of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Holiday Club Sport and Spahotels AB

Vesa Tengman

Director

Marko Hiltunen

Director

Mats Svensson

Director

Place : Åre

Dated : April 21, 2016

AUDITOR'S REPORT

To the annual meeting of the shareholders of Holiday Club Sport and Spa Hotels AB, corporate identity number 559032-5733.

Report on the annual accounts

We have audited the annual accounts of Holiday Club Sport and Spa Hotels AB for the financial year 2015.10.29-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sport and Spa Hotels AB as of March 31, 2016 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and administration of the Board of Directors and the Managing Director of Holiday Club Sport and Spa Hotels AB for the year the financial year 2015.10.29-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditors Responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Director's proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We have also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Östersund, April 21, 2016
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
 Authorized Accountant

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company conducts hotel operations with associated spa, indoor pools and restaurants.

Operations in the company started on December 1, 2015 through the takeover of its hotel operations from IN - Invest i Norrland AB, 556843-0754.

The company has its registered office in the municipality of Åre.

Share of voting rights	Participating interest	
Holiday Club Sweden AB, 556683-0385	51%	51%
Aktive Travel Management i Åre AB, 556634-1789	41.5%	41.5%
Pernilla Margaretha Gravenfors, 740612-6388	7.5%	7.5%

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on March 31, 2016.

Significant events during and after the end of the financial year

During the spring and summer of 2016, the company intends to invest SEK 15-20 million (INR 123-164 million) in renovations of its facilities and some new construction works.

The company also intends to invest in a new concept covering food, health and training.

The company has appointed a new president and chief executive officer, Pernilla Gravenfors, from 18 April 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Multi-year review	2015/16	2015/16
	kSEK	kINR
Net sales	54,774	447,501
Profit/loss after financial items	5,408	44,184
Equity/assets ratio	35.2%	35.2%

Proposed appropriation of profits

SEK INR

The following profits are at the disposal of the Annual General Meeting:

Share premium reserve.....	12,000,000	98,040,000
Profit/Loss for the year	1,753,318	14,324,608
Total	13,753,318	112,364,608

The Board of Directors proposes that the available profits be appropriated as follows:

Dividend to shareholders	13,753,318	112,364,608
Total	13,753,318	112,364,608

INCOME STATEMENT

	Note	29 Oct 2015 – 31 Mar 2016 SEK	29 Oct 2015 – 31 Mar 2016 INR
Operating income, changes in inventory, etc.	2		
Net sales		54,773,674	447,500,917
Other operating income		792,495	6,474,684
Total operating income, changes in inventory, etc.		<u>55,566,169</u>	<u>453,975,601</u>
Operating expenses			
Raw materials and consumables		(6,464,239)	(52,812,833)
Other external expenses	3	(30,087,756)	(245,816,967)
Personnel costs	4	(12,329,292)	(100,730,316)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(1,159,869)	(9,476,130)
Total operating expenses		<u>(50,041,156)</u>	<u>(408,836,245)</u>
Operating profit/loss		5,525,013	45,139,356
Financial items			
Other interest income and similar profit/loss items		335	2,737
Interest and similar expenses		(117,295)	(958,300)
Total financial items		<u>(116,960)</u>	<u>(955,563)</u>
Profit/Loss after financial items		5,408,053	44,183,793
Appropriations			
Changes in tax allocation reserves		(3,155,564)	(25,780,958)
Total appropriations		<u>(3,155,564)</u>	<u>(25,780,958)</u>
Profit/Loss before tax		2,252,489	18,402,835
Taxes			
Tax on profit for the year		(499,171)	(4,078,227)
Profit/Loss for the year		<u><u>1,753,318</u></u>	<u><u>14,324,608</u></u>

BALANCE SHEET

	Note	31 Mar 2016 SEK	31 Mar 2016 INR
Assets			
Non-current assets			
<i>Intangible fixed assets</i>			
Goodwill	5	5,860,627	47,881,323
<i>Total intangible assets</i>		<u>5,860,627</u>	<u>47,881,323</u>
<i>Property, plant and equipment</i>			
Leasehold improvement cost	6	2,458,333	20,084,581
Equipment, tools, fixtures and fittings	7	16,470,825	134,566,640
<i>Total property, plant and equipment</i>		<u>18,929,158</u>	<u>154,651,221</u>
Total non-current assets		<u><u>24,789,785</u></u>	<u><u>202,532,543</u></u>
Current assets			
<i>Inventories etc.</i>			
Raw materials and consumables		883,182	7,215,597
Finished goods and goods for resale		228,372	1,865,799
<i>Total inventories</i>		<u>1,111,554</u>	<u>9,081,396</u>
<i>Current receivables</i>			
Trade receivables		4,325,037	35,335,552
Receivables from Group companies		239,406	1,955,947
Other receivables		414,265	3,384,545
Prepaid expenses and accrued income		3,619,047	29,567,614
<i>Total current receivables</i>		<u>8,597,755</u>	<u>70,243,658</u>
<i>Cash and bank balances</i>			
Cash and bank balances		14,376,653	117,457,255
<i>Total cash and bank balances</i>		<u>14,376,653</u>	<u>117,457,255</u>
Total current assets		<u><u>24,085,962</u></u>	<u><u>196,782,310</u></u>
Total assets		<u><u>48,875,747</u></u>	<u><u>399,314,853</u></u>

BALANCE SHEET

	Note	31 Mar 2016 SEK	31 Mar 2016 INR
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital, 1000,000 shares.....	8	1,000,000	8,170,000
<i>Total restricted equity</i>		<u>1,000,000</u>	<u>8,170,000</u>
<i>Non-restricted equity</i>			
Share premium reserve.....		12,000,000	98,040,000
Profit/Loss for the year.....		1,753,318	14,324,608
<i>Total non-restricted equity</i>		<u>13,753,318</u>	<u>112,364,608</u>
Total equity		<u>14,753,318</u>	<u>120,534,608</u>
Untaxed reserves			
Tax allocation reserve.....		3,155,564	25,780,958
Total untaxed reserves		<u>3,155,564</u>	<u>25,780,958</u>
Non-current liabilities			
Other liabilities to credit institutions.....	9	9,000,000	73,530,000
Total non-current liabilities		<u>9,000,000</u>	<u>73,530,000</u>
Current liabilities			
Other liabilities to credit institutions.....		2,400,000	19,608,000
Trade creditors.....		8,017,610	65,503,874
Liabilities to Group companies.....		1,232,928	10,073,022
Tax liabilities.....		407,470	3,329,030
Other liabilities.....		1,537,944	12,565,002
Accrued expenses and deferred income.....		8,370,913	68,390,359
Total current liabilities		<u>21,966,865</u>	<u>179,469,287</u>
Total equity and liabilities		<u>48,875,747</u>	<u>399,314,853</u>
Pledged assets and contingent liabilities			
Pledged assets			
<i>Pledges and comparable collateral posted for own liabilities and provisions</i>			
Floating charges.....		15,000,000	122,550,000
Total pledged assets		<u>15,000,000</u>	<u>122,550,000</u>

SUPPLEMENTARY DISCLOSURES

Note 1: Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Service assignments and contract work

The Company's income from assignments undertaken on a fixed price basis is recognised according to the alternative rule.

Amortisation

Applied depreciable lives:

Goodwill	5 years
Equipment, tools, fixtures and fittings	5 years
Buildings	5-10 years
Leasehold improvement costs	20 years

*Definitions of key performance indicators*Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement**Note 2: Sales to Group companies**

	29 Oct 2015 –31 Mar 2016
Percentage of sales to companies in Groups of which the Company is a subsidiary.....	1%

Note 3: Purchases from Group companies

	29 Oct 2015 –31 Mar 2016
Percentage of purchases from companies in Groups of which the Company is a subsidiary	1%

Income statement disclosures**Note 4: Personnel**

	29 Oct 2015 –31 Mar 2016
Average number of employees, etc.	
Women	34
Men	37
Total	71

	SEK	INR
Salaries, other remuneration and social security contributions, including pension costs		
Salaries and other remuneration	8,690,565	71,001,916
Social security contributions	2,174,476	17,765,469
Pension costs.....	293,680	2,399,366
Total salaries, other remuneration, social security contributions and pension expenses	11,158,721	91,166,751

Board of Directors and Management by gender

Number of Board members on the balance sheet date	
Men	3
Total	3

Number of CEOs and other senior executives

Men	1
Total	1

Balance sheet disclosures**Note 5: Goodwill**

	SEK	INR
Opening cost of acquisition	6,279,243	51,301,415
Closing cost of acquisition.....	6,279,243	51,301,415
– Depreciation for the year.....	(418,616)	(3,420,093)
Closing depreciation.....	(418,616)	(3,420,093)
Carrying amount.....	5,860,627	47,881,323

Note 6: Leasehold improvement costs

	SEK	INR
Opening cost of acquisition	2,500,000	20,425,000
Closing cost of acquisition.....	2,500,000	20,425,000
– Depreciation for the year.....	(41,667)	(340,419)
Closing depreciation.....	(41,667)	(340,419)
Carrying amount.....	2,458,333	20,084,581

Note 7: Equipment, tools, fixtures and fittings

	SEK	INR
Opening cost of acquisition	17,170,413	140,282,274
Closing cost of acquisition.....	17,170,413	140,282,274
– Depreciation for the year.....	(699,588)	(5,715,634)
Closing depreciation.....	(699,588)	(5,715,634)
Carrying amount.....	16,470,825	134,566,640

Note 8: Changes in equity

	kSEK		kINR	
	Share capital	Share premium reserve	Net profit/loss for the year	Total
Amount at beginning of year according to adopted balance sheet.....	50 kSEK			50 kSEK
	408 kINR			408 kINR
New share issue	950 kSEK	12,000 kSEK		12,950 kSEK
	7,761 kINR	98,040 kINR		105,801 kINR
Net profit/loss for the year.....			1,753 kSEK	1,753 kSEK
			14,325 kINR	14,325 kINR

	kSEK		kINR	
	Share capital	Share premium reserve	Net profit/ loss for the year	Total
Balance at year-end...	1,000 kSEK 8,170 kINR	12,000 kSEK 98,040 kINR	1,753 kSEK 14,325 kINR	14,753 kSEK 120,535 kINR

Note 9: Non-current liabilities

	SEK	INR
Non-current liabilities maturing more than five years after the balance sheet date:		
Other liabilities to credit institutions.....	0	0
Total	0	0

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-04-21.

Åre 2016-04-21

Mats Svensson
Managing Director

Marko Hiltunen
Chariman of the Board

Vasa Tengman
Board Member

Our auditor's report has been submitted 2016-04-21.
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
Authorized Public Accountant

DIRECTOR'S REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial year commencing from January 1, 2015 and ended on December 31, 2015.

Operations/State of the Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

There have been no significant changes in the nature of the principal activities during the financial year under review.

Financial Highlights

The results for the financial year and financial position of the Company are shown in the annexed Financial Statements.

During the year under review, the Company has made loss of SEK 700 (INR 5,719).

Dividends

No Dividend was proposed for the financial year under review.

Directors

The Directors shown below have held office during the financial year under review:

- 1) Madelene Lillsund Queckfeldt
- 2) Patrik Viklund
- 3) Sinikka Kohtala

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial year in which this report is made.

Issue of Shares

The Company did not issue shares during the financial year under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the year under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial year under review.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the year under review.

Signed on behalf of the Board of Directors
of Åre Semesterby A AB

Sinikka Kohtala
Director

Madelene Lillsund Queckfeldt
Director

Patrik Viklund
Director

Place: Åre

Dated: January 31, 2016

PRACTITIONER’S REVIEW REPORT

To the Board of Directors of Holiday Club Resorts Oy

I have reviewed the financial statements of Are Semesterby A AB for the financial period 1.1.2015 - 31.12.2015. The financial statements comprise balance sheet, the income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the local laws and regulations governing the preparation of the financial statements. The Board of Directors is responsible for the appropriate arrangement of the control of the company’s accounts and finances.

Practitioner’s responsibility

My responsibility is to express a conclusion on the financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 revised. ISRE 2400 (revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the local laws and regulations governing the preparation of the financial statements. The Auditing Act requires that I comply with the requirements of professional ethics.

A review of financial statements in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity as appropriate, and applies analytical procedures, and evaluates the evidence obtained.

The procedures performed are substantially less than those performed in an audit conducted in accordance with auditing standards. Accordingly, I do not express an audit opinion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not give true and fair view of the financial performance and financial position in accordance with local laws and regulations governing the preparation of the financial statements.

The above review has been conducted at the request of Holiday Club Resort Oy’s management for the purpose of consolidation of the company’s financial statements with that of Holiday Club Resort Oy.

Eero Suomela

Authorized Public Accountant
Nokkalankulma 7 B
02230 Espoo.

Place: Helsinki
Date: May 8. 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 8.17 = FC 1 which is the Bloomberg rate as on 31st March 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen,

PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting:

	<u>SEK</u>	<u>INR</u>
Profit bought forward.....	(7,550)	(61,684)
Profit/Loss for the year	(700)	(5,719)
Total	<u>(8,250)</u>	<u>(67,403)</u>

The Board of Directors proposes that the available profits be appropriated as follows:

Dividend to shareholders	<u>(8,250)</u>	<u>(67,403)</u>
Total	<u>(8,250)</u>	<u>(67,403)</u>

INCOME STATEMENT

	Note	1 Jan 2015 –31 Dec 2015 SEK	1 Jan 2014 –31 Dec 2014 SEK	1 Jan 2015 –31 Dec 2015 INR	1 Jan 2014 –31 Dec 2014 INR
Operating expenses					
Other external expenses		(700)	(500)	(5,719)	(4,085)
Total operating expenses		(700)	(500)	(5,719)	(4,085)
Operating profit/loss		(700)	(500)	(5,719)	(4,085)
Financial items					
Other interest income and similar profit/loss items		–	–	–	–
Total financial items		–	–	–	–
Profit/loss after financial items		(700)	(500)	(5,719)	(4,085)
Profit/Loss before tax		(700)	(500)	(5,719)	(4,085)
Profit/Loss for the year		(700)	(500)	(5,719)	(4,085)

BALANCE SHEET

	Note	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
		SEK	SEK	INR	INR
Assets					
Current assets					
<i>Current receivables</i>					
<i>Cash and bank balances</i>					
Cash and bank balances		91,750	92,450	749,598	755,317
<i>Total cash and bank balances</i>		91,750	92,450	749,598	755,317
Total current assets		91,750	92,450	749,598	755,317
Total assets		91,750	92,450	749,598	755,317

EQUITY AND LIABILITIES

	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	SEK	SEK	INR	INR
Equity				
<i>Restricted equity</i>				
Share capital, 1000 shares	100,000	100,000	817,000	817,000
<i>Total restricted equity</i>	100,000	100,000	817,000	817,000
<i>Non-restricted equity</i>				
Profit bought forward	(7,550)	(7,050)	(61,684)	(57,599)
Profit/Loss for the year	(700)	(500)	(5,719)	(4,085)
<i>Total non-restricted equity</i>	(8,250)	(7,550)	(67,403)	(61,684)
Total equity	91,750	92,450	749,598	755,317
Total equity and liabilities	91,750	92,450	749,598	755,317

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	16 Dec 2015
	–31 Dec 2015
Percentage of sales to companies in Groups of which the Company is a subsidiary	100%

Balance sheet disclosures

Note 3 Changes in equity

	Share capital	Profit/ loss brought forward	Net profit/ loss	Total
Amount at beginning of year according to adopted balance sheet	100,000SEK 817,000INR	(7,050SEK) (57,599INR)	(500SEK) (4,085INR)	92,450 SEK 755317INR

Appropriation of profits as resolved by the AGM

To be carried forward		(500SEK) (4,085INR)	(500SEK) (4,085INR)
Profit/loss for the year		(700SEK) (5,719INR)	(700SEK) (5,719INR)
Balance at year-end	100,000SEK 817,000INR	(7,550SEK) (61,684INR)	(700SEK) (5,719INR)
		91,750SEK 749,598INR	

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-01-31.

Åre 2016-01-31

Madelene Lillsund Queckfeldt

Sinikka Kohtala

Patrik Viklund

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial year commencing from January 1, 2015 and ended on December 31, 2015.

OPERATIONS/STATE OF THE COMPANY'S AFFAIRS

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

There have been no significant changes in the nature of the principal activities during the financial year under review.

FINANCIAL HIGHLIGHTS

The results for the financial year and financial position of the Company are shown in the annexed Financial Statements.

During the year under review, the Company has made loss of SEK 700 (INR 5,719)

DIVIDENDS

No Dividend was proposed for the financial year under review.

DIRECTORS

The Directors shown below have held office during the financial year under review:

- 1) Madelene Lillsund Queckfeldt
- 2) Patrik Viklund
- 3) Sinikka Kohtala

STATEMENT OF DIRECTORS

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial year in which this report is made.

ISSUE OF SHARES

The Company did not issue shares during the financial year under review.

HOLDING COMPANY

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the year under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

COMPLIANCE

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial year under review.

ACKNOWLEDGEMENTS

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the year under review.

Signed on behalf of the Board of Directors
of Åre Semesterby B AB

Sinikka Kohtala
Director

Madelene Lillsund Queckfeldt
Director

Patrik Viklund
Director

Place: Åre
Dated: January 31, 2016

PRACTITIONER'S REVIEW REPORT

To the Board of Directors of Holiday Club Resorts Oy

I have reviewed the financial statements of Are Semesterby B AB for the financial period 1.1.2015-31.12.2015. The financial statements comprise balance sheet, the income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the local laws and regulations governing the preparation of the financial statements. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances.

Practitioner's responsibility

My responsibility is to express a conclusion on the financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 revised. ISRE 2400 (revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the local laws and regulations governing the preparation of the financial statements. The Auditing Act requires that I comply with the requirements of professional ethics.

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The procedures performed are substantially less than those performed in an audit conducted in accordance with auditing standards. Accordingly, I do not express an audit opinion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not give true and fair view of the financial performance and financial position in accordance with local laws and regulations governing the preparation of the financial statements.

The above review has been conducted at the request of Holiday Club Resort Oy's management for the purpose of consolidation of the company's financial statements with that of Holiday Club Resort Oy.

Eero Suomela

Authorized Public Accountant
Nokkalankulma 7 B
02230 Espoo

Place: Helsinki
Date: May 8, 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on 31st March, 2016.

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The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Proposed appropriation of profits

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit bought forward.....	(7,550)	(61,684)
Profit/Loss for the year	(700)	(5,719)
Total	<u>(8,250)</u>	<u>(67,403)</u>
The Board of Directors proposes that the available profits be appropriated as follows:		
Dividend to shareholders	(8,250)	(67,403)
Total	<u>(8,250)</u>	<u>(67,403)</u>

INCOME STATEMENT

Note	1 Jan 2015	1 Jan 2014	1 Jan 2015	1 Jan 2014
	- 31 Dec 2015	- 31 Dec 2014	- 31 Dec 2015	- 31 Dec 2014
	SEK	SEK	INR	INR
Operating expenses				
Other external expenses	(700)	(500)	(5,719)	(4,085)
Total operating expenses	(700)	(500)	(5,719)	(4,085)
Operating profit/loss	(700)	(500)	(5,719)	(4,085)
Financial items				
Other interest income and similar profit/loss items	0	0	0	0
Total financial items	0	0	0	0
Profit/Loss after financial items	(700)	(500)	(5,719)	(4,085)
Profit/Loss before tax	(700)	(500)	(5,719)	(4,085)
Profit/Loss for the year	(700)	(500)	(5,719)	(4,085)

BALANCE SHEET

	Note	31 Dec 2015 SEK	31 Dec 2014 SEK	31 Dec 2015 INR	31 Dec 2014 INR
Assets					
Current assets					
<i>Current receivables</i>					
<i>Cash and bank balances</i>					
Cash and bank balances		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
<i>Total cash and bank balances</i>		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
Total current assets		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
Total assets		<u><u>91,750</u></u>	<u><u>92,450</u></u>	<u><u>749,598</u></u>	<u><u>755,317</u></u>
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 1,000 shares		<u>100,000</u>	<u>100,000</u>	<u>817,000</u>	<u>817,000</u>
<i>Total restricted equity</i>		<u>100,000</u>	<u>100,000</u>	<u>817,000</u>	<u>817,000</u>
<i>Non-restricted equity</i>					
Profit bought forward		<u>(7,550)</u>	<u>(7,050)</u>	<u>(61,684)</u>	<u>(57,599)</u>
Profit/Loss for the year		<u>(700)</u>	<u>(500)</u>	<u>(5,719)</u>	<u>(4,085)</u>
<i>Total non-restricted equity</i>		<u>(8,250)</u>	<u>(7,550)</u>	<u>(67,403)</u>	<u>(61,684)</u>
Total equity		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
Total equity and liabilities		<u><u>91,750</u></u>	<u><u>92,450</u></u>	<u><u>749,598</u></u>	<u><u>755,317</u></u>

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	16 Dec 2015 – 31 Dec 2015
Percentage of sales to companies in Groups of which the Company is a subsidiary	100%

Balance sheet disclosures

Note 3 Changes in equity

	Share capital	Profit/loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	100,000SEK 817,000INR	(7,050SEK) (57,599INR)	(500SEK) (5,719INR)	92,450SEK 755,317INR
Appropriation of profits as resolved by the AGM		(500SEK) (4,085INR)	(500SEK) (4,085INR)	
To be carried forward		(500SEK) (4,085INR)	(500SEK) (4,085INR)	
Profit/loss for the year			(700SEK) (5,719INR)	(700SEK) (5,719INR)
Balance at year-end....	100,000SEK 817,000INR	(7,550SEK) (61,684INR)	(700SEK) (5,719INR)	91,750SEK 749,598INR

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-01-31.

Åre 2016-01-31

Madelene Lillsund Queckfeldt

Sinikka Kohtala

Patrik Viklund

DIRECTOR'S REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial year commencing from January 1, 2015 and ended on December 31, 2015.

OPERATIONS/STATE OF THE COMPANY'S AFFAIRS

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

There have been no significant changes in the nature of the principal activities during the financial year under review.

FINANCIAL HIGHLIGHTS

The results for the financial year and financial position of the Company are shown in the annexed Financial Statements.

During the year under review, the Company has made loss of SEK 700 (INR 5,719).

DIVIDENDS

No Dividend was proposed for the financial year under review.

DIRECTORS

The Directors shown below have held office during the financial year under review:

- 1) Madelene Lillsund Queckfeldt
- 2) Patrik Viklund
- 3) Sinikka Kohtala

STATEMENT OF DIRECTORS

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of

the operations of the Company for the financial year in which this report is made.

ISSUE OF SHARES

The Company did not issue shares during the financial year under review.

HOLDING COMPANY

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the year under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

COMPLIANCE

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial year under review.

ACKNOWLEDGEMENTS

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the year under review.

Signed on behalf of the Board of Directors
of Åre Semesterby C AB

Sinikka Kohtala
Director

Madelene Lillsund Queckfeldt
Director

Patrik Viklund
Director

Place: Åre
Dated: January 31, 2016

PRACTITIONER'S REVIEW REPORT

To the Board of Directors of Holiday Club Resorts Oy

I have reviewed the financial statements of Are Semesterby C AB for the financial period 1.1.2015-31.12.2015. The financial statements comprise balance sheet, the income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the local laws and regulations governing the preparation of the financial statements. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances.

Practitioner's responsibility

My responsibility is to express a conclusion on the financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 revised. ISRE 2400 (revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the local laws and regulations governing the preparation of the financial statements. The Auditing Act requires that I comply with the requirements of professional ethics.

A review of financial statements in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries

of management and others within the entity as appropriate, and applies analytical procedures, and evaluates the evidence obtained.

The procedures performed are substantially less than those performed in an audit conducted in accordance with auditing standards. Accordingly, I do not express an audit opinion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not give true and fair view of the financial performance and financial position in accordance with local laws and regulations governing the preparation of the financial statements.

The above review has been conducted at the request of Holiday Club Resort Oy's management for the purpose of consolidation of the company's financial statements with that of Holiday Club Resort Oy.

Eero Suomela

Authorized Public Accountant
Nokkalankulma 7 B
02230 Espoo

Place: Helsinki
Date: May 8, 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on 31st March, 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Proposed appropriation of profits

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit bought forward.....	(7,150)	(58,416)
Profit/Loss for the year	(700)	(5,719)
Total	<u>(7,850)</u>	<u>(64,135)</u>
The Board of Directors proposes that the available profits be appropriated as follows:		
Dividend to shareholders	<u>(7,850)</u>	<u>(64,135)</u>
Total	<u>(7,850)</u>	<u>(64,135)</u>

INCOME STATEMENT

Note	1 Jan 2015	1 Jan 2014	1 Jan 2015	1 Jan 2014
	- 31 Dec 2015	- 31 Dec 2014	- 31 Dec 2015	- 31 Dec 2014
	SEK	SEK	INR	INR
Operating expenses				
Other external expenses	(700)	(500)	(5,719)	(4,085)
Total operating expenses	(700)	(500)	(5,719)	(4,085)
Operating profit/loss	(700)	(500)	(5,719)	(4,085)
Financial items				
Other interest income and similar profit/loss items	0	0	0	0
Total financial items	0	0	0	0
Profit/Loss after financial items	(700)	(500)	(5,719)	(4,085)
Profit/Loss before tax	(700)	(500)	(5,719)	(4,085)
Profit/Loss for the year	(700)	(500)	(5,719)	(4,085)

BALANCE SHEET

	Note	31 Dec 2015 SEK	31 Dec 2014 SEK	31 Dec 2015 INR	31 Dec 2014 INR
Assets					
Current assets					
<i>Current receivables</i>					
<i>Cash and bank balances</i>					
Cash and bank balances		92,150	92,850	752,866	758,585
<i>Total cash and bank balances</i>		92,150	92,850	752,866	758,585
Total current assets		92,150	92,850	752,866	758,585
Total assets		92,150	92,850	752,866	758,585
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 1,000 shares		100,000	100,000	817,000	817,000
<i>Total restricted equity</i>		100,000	100,000	817,000	817,000
<i>Non-restricted equity</i>					
Profit bought forward		(7,150)	(6,650)	(58,416)	(54,331)
Profit/Loss for the year		(700)	(500)	(5,719)	(4,085)
<i>Total non-restricted equity</i>		(7,850)	(7,150)	(64,135)	(58,416)
Total equity		92,150	92,850	752,866	758,585
Total equity and liabilities		92,150	92,850	752,866	758,585

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	16 Dec 2015 – 31 Dec 2015
Percentage of sales to companies in Groups of which the Company is a subsidiary	100%

Balance sheet disclosures

Note 3 Changes in equity

	Share capital	Profit/loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	100,000SEK 817,000INR	(6,650SEK) (54,331INR)	(500SEK) (4,085INR)	92,850SEK 758,585INR
Appropriation of profits as resolved by the AGM		(500SEK)	(500SEK)	
To be carried forward		(4,085INR)	(4,085INR)	
Profit/loss for the year			(700SEK) (5,719INR)	(700SEK) (5,719INR)
Balance at year-end....	100,000SEK 817,000INR	(7,150SEK) (58,416INR)	(700SEK) (5,719INR)	92,150SEK 752,866INR

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-01-31.

Åre 2016-01-31

Madelene Lillsund Queckfeldt

Sinikka Kohtala

Pratik Viklund

DIRECTOR'S REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial year commencing from January 1, 2015 and ended on December 31, 2015.

Operations/State Of The Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

There have been no significant changes in the nature of the principal activities during the financial year under review.

Financial Highlights

The results for the financial year and financial position of the Company are shown in the annexed Financial Statements.

During the year under review, the Company has made loss of sek 700 (INR 5,719)

Dividends

No Dividend was proposed for the financial year under review.

Directors

The Directors shown below have held office during the financial year under review:

- 1) Madelene Lillsund Queckfeldt
- 2) Patrik Viklund
- 3) Sinikka Kohtala

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2015.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of

the operations of the Company for the financial year in which this report is made.

Issue of Shares

The Company did not issue shares during the financial year under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the year under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial year under review.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the year under review.

Signed on behalf of the Board of Directors
of Åre Semesterby D AB

Sinikka Kohtala
Director

Madelene Lillsund Queckfeldt
Director

Patrik Viklund
Director

Place : Åre
Dated : January 31, 2016

PRACTITIONER'S REVIEW REPORT

To the Board of Directors of Holiday Club Resorts Oy

I have reviewed the financial statements of Are Semesterby D AB for the financial period 1.1.2015-31.12.2015. The financial statements comprise balance sheet, the income statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the local laws and regulations governing the preparation of the financial statements. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances.

Practitioner's responsibility

My responsibility is to express a conclusion on the financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 revised. ISRE 2400 (revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the local laws and regulations governing the preparation of the financial statements. The Auditing Act requires that I comply with the requirements of professional ethics.

A review of financial statements in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries

of management and others within the entity as appropriate, and apply analytical procedures, and evaluates the evidence obtained.

The procedures performed are substantially less than those performed in an audit conducted in accordance with auditing standards. Accordingly, I do not express an audit opinion on the financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not give true and fair view of the financial performance and financial position in accordance with local laws and regulations governing the preparation of the financial statements.

The above review has been conducted at the request of Holiday Club Resort Oy's management for the purpose of consolidation of the company's financial statements with that of Holiday Club Resort Oy.

Eero Suomela
Authorized Public Accountant
Nokkalankulma 7 B
02230 Espoo.

Place: Helsinki
Date: May 8. 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on 31st March, 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och register styrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Proposed appropriation of profits

	SEK	INR
The following profits are at the disposal of the Annual General Meeting:		
Profit brought forward.....	(7,550)	(61,684)
Profit/Loss for the year	(700)	(5,719)
	<u> </u>	<u> </u>
Total.....	<u>(8,250)</u>	<u>(67,403)</u>
The Board of Directors proposes that the available profits be appropriated as follows:		
Dividend to shareholders	(8,250)	(67,403)
Total.....	<u>(8,250)</u>	<u>(67,403)</u>

INCOME STATEMENT

Note	1 Jan 2015 – 31 Dec 2015 SEK	1 Jan 2014 – 31 Dec 2014 SEK	1 Jan 2015 – 31 Dec 2015 INR	1 Jan 2014 – 31 Dec 2014 INR
Operating expenses				
Other external expenses	(700)	(500)	(5,719)	(4,085)
Total operating expenses	(700)	(500)	(5,719)	(4,085)
Operating profit/loss	(700)	(500)	(5,719)	(4,085)
Financial items				
Other interest income and similar profit/loss items	0	0	0	0
Total financial items	0	0	0	0
Profit/Loss after financial items	(700)	(500)	(5,719)	(4,085)
Profit/Loss before tax	(700)	(500)	(5,719)	(4,085)
Profit/Loss for the year	(700)	(500)	(5,719)	(4,085)

BALANCE SHEET

	Note	31 Dec 2015 SEK	31 Dec 2014 SEK	31 Dec 2015 INR	31 Dec 2014 INR
Assets					
Current assets					
<i>Current receivables</i>					
<i>Cash and bank balances</i>					
Cash and bank balances		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
<i>Total cash and bank balances</i>		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
Total current assets		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
Total assets		<u><u>91,750</u></u>	<u><u>92,450</u></u>	<u><u>749,598</u></u>	<u><u>755,317</u></u>
Equity and liabilities					
Equity					
<i>Restricted equity</i>					
Share capital, 1,000 shares		<u>100,000</u>	<u>100,000</u>	<u>817,000</u>	<u>817,000</u>
<i>Total restricted equity</i>		<u>100,000</u>	<u>100,000</u>	<u>817,000</u>	<u>817,000</u>
<i>Non-restricted equity</i>					
Profit bought forward		<u>(7,550)</u>	<u>(7,050)</u>	<u>(61,684)</u>	<u>(57,599)</u>
Profit/Loss for the year		<u>(700)</u>	<u>(500)</u>	<u>(5,719)</u>	<u>(4,085)</u>
<i>Total non-restricted equity</i>		<u>(8,250)</u>	<u>(7,550)</u>	<u>(67,403)</u>	<u>(61,684)</u>
Total equity		<u>91,750</u>	<u>92,450</u>	<u>749,598</u>	<u>755,317</u>
Total equity and liabilities		<u><u>91,750</u></u>	<u><u>92,450</u></u>	<u><u>749,598</u></u>	<u><u>755,317</u></u>

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	16 Dec 2015 – 31 Dec 2015
Percentage of sales to companies in Groups of which the Company is a subsidiary	100%

Balance sheet disclosures

Note 3 Changes in equity

	Share capital	Profit/loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	100,000SEK 817,000INR	(7,050SEK) (57,599INR)	(500SEK) (5,719INR)	92,450SEK 755,317INR
Appropriation of profits as resolved by the AGM		(500SEK) (4,085INR)	(500SEK) (4,085INR)	
To be carried forward			(700SEK) (5,719INR)	(700SEK) (5,719INR)
Profit/loss for the year			(700SEK) (5,719INR)	(700SEK) (5,719INR)
Balance at year-end	100,000SEK 817,000INR	(7,550SEK) (61,684INR)	(700SEK) (5,719INR)	91,750SEK 749,598INR

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-01-31.

Åre 2016-01-31

Madelene Lillsund Queckfeldt

Sinikka Kohtala

Pratik Viklund

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial Period commencing from December 16, 2014 and ended on March 31, 2016.

Operations/State of the Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of SEK 12,426,000 (INR 101,520,420) and made profit of SEK 1,159,475 (INR 9,472,911).

Directors

The Directors shown below have held office during the financial period under review:

- 1) Tapio Anttila
- 2) Madelene Lillsund Queckfeldt
- 3) Sinikka Kohtala

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Åre Villa 1 Ab

Tapio Anttila
Director

Madelene Lillsund Queckfeldt
Director

Sinikka Kohtala
Director

Place : Åre

Dated : April 21, 2016

AUDITOR'S REPORT

To the annual meeting of the shareholders of Åre Villa 1 AB, corporate identity number 556996-2177.

Report on the annual accounts

We have audited the annual accounts of Åre Villa 1 AB for the financial year 2014.12.16-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 1 AB as of 31st March, 2016 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Reports on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Åre Villa 2 AB for the year the financial year 2014.12.16-2016.03.31

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's Responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
Authorized Accountant

Place: Östersund
Date: 21th April, 2016

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company began operations in 2015. The Company conducts the sale of shares in tenant-owner apartments. The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs. 8.17 = FC 1 which is the Bloomberg rate as on 31st March, 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Multi-year review

	2014/16	2014/16
	kSEK	kINR
Net sales	12,426	101,520
Profit/loss after financial items	1,159	9,473
Equity/assets ratio	99.2%	99.2%

Proposed appropriation of profits

SEK INR

The following profits are at the disposal of the Annual General Meeting:

Unconditional shareholders' contribution	577,000	4,714,090
Profit/Loss for the year	1,159,475	9,472,911
Total	1,736,475	14,187,001

The Board of Directors proposes that the available profits be appropriated as follows:

Dividend to shareholders	1,736,475	14,187,001
Total	1,736,475	14,187,001

The Board of Directors is authorised to resolve on the day of settlement.

Board of Directors' statement concerning the proposed distribution of profits

The proposed dividend reduces the Company's equity/assets ratio to 76.9 percent. Considering that the Company's operations continue to be run with profitability, the Company's equity/assets ratio is satisfactory. Liquidity in the Company is deemed to be maintainable on a similarly satisfactory level.

The Board's opinion is that the proposed dividend will not prevent the Company from fulfilling its short and long-term obligations, nor from making necessary investments. The proposed dividend can thereby be justified with reference to the provisions of the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3 (the precautionary principle).

INCOME STATEMENT

	Note	16 Dec 2014 – 31 Mar 2016 SEK	16 Dec 2014 – 31 Mar 2016 INR
Operating income, changes in inventory, etc.	2		
Net sales		12,426,000	101,520,420
Total operating income, changes in inventory, etc.		<u>12,426,000</u>	<u>101,520,420</u>
Operating expenses			
Raw materials and consumables		(11,250,000)	(91,912,500)
Other external expenses		(16,525)	(135,009)
Total operating expenses		<u>(11,266,525)</u>	<u>(92,047,509)</u>
Operating profit/loss		1,159,475	9,472,911
Profit/Loss after financial items		1,159,475	9,472,911
Profit/Loss before tax		1,159,475	9,472,911
Profit/Loss for the year		<u><u>1,159,475</u></u>	<u><u>9,472,911</u></u>

BALANCE SHEET

	Note	31 Mar 2016 SEK	31 Mar 2016 INR
Assets			
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		1,580,800	12,915,136
<i>Total current receivables</i>		<u>1,580,800</u>	<u>12,915,136</u>
<i>Cash and bank balances</i>			
Cash and bank balances		220,675	1,802,915
<i>Total cash and bank balances</i>		<u>220,675</u>	<u>1,802,915</u>
Total current assets		<u>1,801,475</u>	<u>14,718,051</u>
Total assets		<u><u>1,801,475</u></u>	<u><u>14,718,051</u></u>
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital, 50,000 shares.....		50,000	408,500
<i>Total restricted equity</i>		<u>50,000</u>	<u>408,500</u>
<i>Non-restricted equity</i>			
Retained earnings.....		577,000	4,714,090
Profit/Loss for the year		1,159,475	9,472,911
<i>Total non-restricted equity</i>		<u>1,736,475</u>	<u>14,187,001</u>
Total equity		<u>1,786,475</u>	<u>14,595,501</u>
Current liabilities			
Accrued expenses and deferred income		15,000	122,550
Total current liabilities		<u>15,000</u>	<u>122,550</u>
Total equity and liabilities		<u><u>1,801,475</u></u>	<u><u>14,718,051</u></u>

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	16 Dec 2014 – 31 Mar 2016
Percentage of sales to companies in Groups of which the Company is a subsidiary	100%

Balance sheet disclosures

Note 3 Changes in equity

	Share capital	Profit/loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	50,000SEK 408,500INR		50,000SEK 408,500INR	
Appropriation of profits as resolved by the AGM				
Dividends				
To be carried forward				
Received unconditional shareholders' contributions		577,000SEK 4,714,090INR	577,000SEK 4,714,090INR	
Net profit/loss for the year			1,159,475SEK 9,472,911INR	1,159,475SEK 9,472,911INR
Balance at year-end	500,00SEK 408,500INR	577,000SEK 4,714,090INR	1,159,475SEK 9,472,911INR	1,786,475SEK 14,595,501INR

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-04-21.

Åre 2016-04-21

Madelene Lillsund Queckfeldt

Sinikka Kohtala

Tapio Anttila

Our auditor's report has been submitted 2016-04-21.
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson

Authorized Public Accountant

DIRECTORS' REPORT

The Directors hereby submit their report together with the Audited Financial Statements of the Company for the financial period commencing from December 16, 2014 and ended on March 31, 2016.

Operations/State of The Company's Affairs

The Company is primarily engaged in Timeshare and renting business.

The Company's Resort property located at Åre.

There have been no significant changes in the nature of the principal activities during the financial period under review.

Financial Highlights

The results for the financial period and financial position of the Company are shown in the annexed Financial Statements.

During the period under review, the Company has earned a revenue of SEK 12,426,000 (INR 101,520,420) and made profit of SEK 1,159,475 (INR 9,472,911).

Directors

The Directors shown below have held office during the financial period under review:

- 1) Tapio Anttila
- 2) Madelene Lillsund Queckfeldt
- 3) Sinikka Kohtala

Statement of Directors

In the opinion of the Board of Directors, the accompanying Financial Statements together with notes, annexures etc. as set out herein are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016.

Events Subsequent to Balance Sheet Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, which would substantially affect the results of the operations of the Company for the financial period in which this report is made.

Issue of Shares

The Company did not issue shares during the financial period under review.

Holding Company

The Company is subsidiary of Holiday Club Sweden AB and in turn subsidiary of Holiday Club Resorts Oy (HCR). During the period under review, HCR became subsidiary of Covington S.à.r.l. and in turn MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited.

Compliance

The Company has complied with the relevant corporate and other applicable Laws, Rules and Regulations and there are no such incidences of non-compliances noted during the financial period under review.

Auditors

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at March 31, 2016.

Acknowledgements

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Holding company, Creditors, Banks, Government Authorities, Customers during the period under review.

Signed on behalf of the Board of Directors
of Åre Villas 2 AB

Tapio Anttila
Director

Madelene Lillsund Queckfeldt
Director

Sinikka Kohtala
Director

Place: Åre

Dated: April 21, 2016

AUDITOR'S REPORT

To the annual meeting of the shareholders of Åre Villa 2 AB, corporate identity number 556996-2250.

Report on the annual accounts

We have audited the annual accounts of Åre Villa 2 AB for the financial year 2014.12.16-2016.03.31.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 2 AB as of 31st March 2016 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Reports on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Åre Villa 2 AB for the year the financial year 2014.12.16-2016.03.31

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditors Responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We have also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Östersund 21 April 2016
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson
Authorized Accountant

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company began operations in 2015. The Company conducts the sale of shares in tenant-owner apartments. The company has its registered office in Åre.

In this annual report FC amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 8.17 = FC 1 which is the Bloomberg rate as on 31st March 2016.

Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Multi-year review	2014/16	2014/16
	kSEK	kINR
Net sales	12,426	101,520
Profit/loss after financial items	1,159	9,473
Equity/assets ratio	99.0%	99.0%

Proposed appropriation of profits

SEK INR

The following profits are at the disposal of the Annual General Meeting:

Unconditional shareholders' contribution	273,000	2,230,410
Profit/Loss for the year	1,159,475	9,472,911
Total	1,432,475	11,703,321

The Board of Directors proposes that the available profits be appropriated as follows:

Dividend to shareholders	1,432,475	11,703,321
Total	1,432,475	11,703,321

The Board of Directors is authorised to resolve on the day of settlement.

Board of Director's statement concerning the proposed distribution of profits

The proposed dividend reduces the Company's equity/assets ratio to 76.9 percent.

Considering that the Company's operations continue to be run with profitability, the Company's equity/assets ratio is satisfactory. Liquidity in the Company is deemed to be maintainable on a similarly satisfactory level.

The Board's opinion is that the proposed dividend will not prevent the Company from fulfilling its short and long-term obligations, nor from making necessary investments. The proposed dividend can thereby be justified with reference to the provisions of the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3 (the precautionary principle).

INCOME STATEMENT

	Note	16 Dec 2014 – 31 Mar 2016 SEK	16 Dec 2014 – 31 Mar 2016 INR
Operating income, changes in inventory, etc.	2		
Net sales		12,426,000	101,520,420
Total operating income, changes in inventory, etc.		12,426,000	101,520,420
Operating expenses			
Raw materials and consumables.....		(11,250,000)	(91,912,500)
Other external expenses		(16,525)	(135,009)
Total operating expenses.....		(11,266,525)	(92,047,509)
Operating profit/loss.....		1,159,475	9,472,911
Profit/Loss after financial items		1,159,475	9,472,911
Profit/Loss before tax		1,159,475	9,472,911
Profit/Loss for the year.....		1,159,475	9,472,911

BALANCE SHEET

	Note	31 Mar 2016 SEK	31 Mar 2016 INR
Assets			
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		1,449,000	11,838,330
<i>Total current receivables</i>		<u>1,449,000</u>	<u>11,838,330</u>
<i>Cash and bank balances</i>			
Cash and bank balances		48,475	396,041
<i>Total cash and bank balances</i>		<u>48,475</u>	<u>396,041</u>
Total current assets		<u>1,497,475</u>	<u>12,234,371</u>
Total assets		<u><u>1,497,475</u></u>	<u><u>12,234,371</u></u>
Equity and liabilities			
Equity			
<i>Restricted equity</i>			
Share capital, 50,000 shares		50,000	408,500
<i>Total restricted equity</i>		<u>50,000</u>	<u>408,500</u>
<i>Non-restricted equity</i>			
Retained earnings		273,000	2,230,410
Profit/Loss for the year		1,159,475	9,472,911
<i>Total non-restricted equity</i>		<u>1,432,475</u>	<u>11,703,321</u>
Total equity		<u>1,482,475</u>	<u>12,111,821</u>
Current liabilities			
Accrued expenses and deferred income		15,000	122,550
Total current liabilities		<u>15,000</u>	<u>122,550</u>
Total equity and liabilities		<u><u>1,497,475</u></u>	<u><u>12,234,371</u></u>

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SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2008:1 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Disclosures to the Income Statement

Note 2 Sales to Group companies

	16 Dec 2014 – 31 Mar 2016
Percentage of sales to companies in Groups of which the Company is a subsidiary.....	100%

Balance sheet disclosures

Note 3 Changes in equity

	Share capital	Profit/loss brought forward	Net profit/loss	Total
Amount at beginning of year according to adopted balance sheet	50,000SEK 408,500INR			50,000SEK 408,500INR
Appropriation of profits as resolved by the AGM				
Dividends				
To be carried forward				
Received unconditional shareholders' contributions	273,000SEK 2,230,410INR			273,000SEK 2,230,410INR
Net profit/loss for the year		1,159,475SEK 9,472,911INR	1,159,475SEK 9,472,911INR	1,482,475SEK 12,111,821INR
Balance at year-end	50,000SEK 408,500INR	273,000SEK 2,230,410INR	1,159,475SEK 9,472,911INR	1,482,475SEK 12,111,821INR

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2016-04-21.

Åre 2016-04-21

Madelene Lillsund Queckfeldt

Sinikka Kohtala

Tapio Anttila

Our auditor's report has been submitted 2016-04-21.
Öhrlings PricewaterhouseCoopers AB

Helen Salmonsson

Authorized Public Accountant