

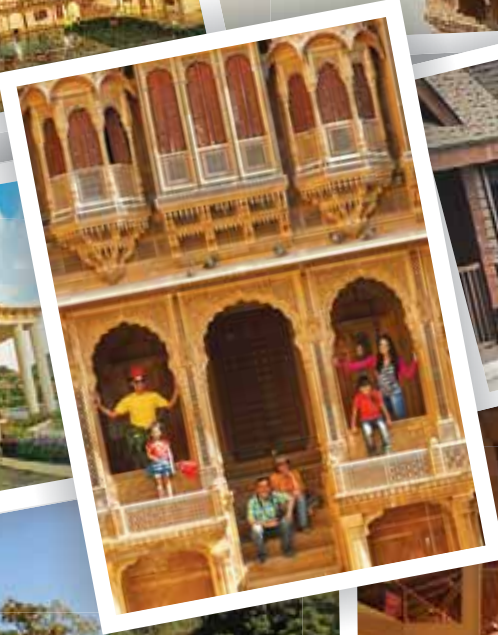
A brand new identity.
1,70,000 new reasons to smile.



ClubMahindra



40 resorts across
India and Abroad



Corporate Information

Board of Directors

A K Nanda Chairman

Uday Y Phadke

Cyrus J Guzder

Vineet Nayyar

Rohit Khattar

Sridar Iyengar

Sanjeev Aga

Chief Financial Officer

S. Krishnan

Company Secretary

Dinesh Shetty

Auditors

Deloitte Haskins & Sells

Chartered Accountants

Bankers

YES Bank Limited

HDFC Bank Limited

Registered Office

Mahindra Towers, 2nd Floor,

No. 17 / 18, Patullos Road,

Chennai – 600 002.

Tamil Nadu, India

Corporate Office

Mahindra Towers, 1st Floor,

"A" Wing, Dr. G M Bhosle Marg,

P.K. Kurne Chowk, Worli,

Mumbai - 400 018.

Maharashtra, India

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Directors' Report

Directors' Report to the Shareholders

Your Directors are pleased to present their Eighteenth Report together with the audited accounts of your Company for the year ended 31st March, 2014.

Financial Highlights

(Rs. Lakh)

	2014	2013
Income:		
Income from sale of Vacation Ownership and other services	77,752	70,155
Other Income	2,141	1,439
Total Income	79,893	71,594
Expenditure :		
Less: Employee Cost & other expenses	(61,851)	(53,430)
Profit before Depreciation, Interest and Taxation	18,042	18,164
Less: Depreciation	(3,803)	(2,119)
Interest	(97)	(160)
Profit for the year before tax	14,142	15,885
Less: Provision for Tax – Current Tax	(2,910)	(4,731)
– Deferred tax (net)	(1,779)	(456)
Net Profit for the year after tax	9,453	10,698
Balance brought forward from earlier years	33,335	27,861
Balance carried forward	42,788	38,559
Appropriations:		
General Reserve	(945)	(1,069)
Proposed Final Dividend on Equity Shares	(3,551)	(3,551)
Income Tax on Proposed Final Dividend	(604)	(604)
Surplus carried to Balance Sheet	37,688	33,335

Dividend

Your Directors are pleased to recommend a dividend of Rs. 4/- per Equity Share of the face value of Rs. 10 each for the financial year ended 31st March, 2014. The dividend, if approved at the ensuing Annual General Meeting, will be paid to the Shareholders whose names appear on the register of members of the Company as on the Book Closure Date. The equity dividend outgo for the financial year 2013-14, inclusive of tax on distributed profits would absorb a sum of Rs. 4,155 lakh (as against Rs. 4,155 lakh comprising the dividend of Rs. 4 per Equity Share paid for the previous year).

Operations and Financial Overview

Club Mahindra, the Company's flagship brand in the vacation ownership business, continued to drive the Company's business during the year. The Company added around twelve thousand new members to its vacation ownership business, taking the total membership to around 1.70 lakh at the end of the year. The new member addition was lower during the year for two reasons. On the macroeconomic front, high interest and inflation rates resulted in deterioration in consumer sentiments, which in turn affected discretionary purchase decisions. Second, changes in TRAI guidelines on telemarketing, which is an important way your Company reaches out to prospective customers, warranted a significant change in processes.

While room inventory increased marginally during the year, your Company's focus is now on addition of units by greenfield developments and expansion of existing properties. The Company's strategy of combining inventory acquisition with building inventory is being successfully leveraged. In line with this strategy the Company is currently undertaking four projects: Assanora (Goa), Kanha (Madhya Pradesh), Naldhera (Shimla), and second phase at Virajpet (Coorg). In addition the Company is also expanding its inventory in Munnar (Kerala) by adding additional units. Further, the project work related to second phase at Tungi (Lonavala) has been completed. These projects will add over 500 units to the Company's inventory over the next couple of years.

During the year, the Company continued with its strategy for following a 'Member first' philosophy, in order to provide priority focus and service to its members. This has resulted substantial improvement in the member satisfaction. These are reflected in continued improvement in post-holiday feedback scores, higher occupancy, substantial increase in unique member holidays and increase in members getting their first choice of holiday. Further, substantial investment in the technology during the last 2-3 years is yielding benefit in the overall functioning of the Company. These investments have added the cutting edge

to our member engagement, helping your company to create member delight.

Your Company during the year, unveiled a fresh new brand identity for its flagship brand – Club Mahindra, which is inspired by the thought ‘make every moment magical’. The thought reflects the ethos of the organisation which strives to create magical experiences for the entire family during their holidays.

In spite of subdued macroeconomic environment, the Company performed creditably during the year. Your Company’s total income (including other income) grew at 12 per cent from Rs. 71,594 lakh in 2012-13 to Rs. 79,893 lakh in 2013-14. Profit After Taxes (PAT) declined from Rs. 10,698 lakh in 2012-13 to Rs. 9,453 lakh in 2013-14 mainly due to higher operational expenses (due to investment in systems, process and branding and higher depreciation (due to completion of greenfield projects). Diluted Earnings Per Share (EPS) of the Company was Rs. 10.75 in 2013-14, down from Rs. 12.75 in the previous year.

Corporate Social Responsibility Initiatives

Your Company continued to carry out initiatives aimed at contributing to the socio-economic well being and development of the communities and the ecosystem that it interacts with. These are discussed in the Management Discussion and Analysis Report forming part of this Annual Report.

During the year, your directors have constituted the Corporate Social Responsibilities (CSR) Committee comprising Mr. A K Nanda as Chairman, and Mr. Uday Y Phadke and Mr. Cyrus J. Guzder are other members. The said committee has been entrusted with the responsibilities of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending to the Board the amount to be spent on CSR activities. The CSR policy is available on the website of the Company.

Sustainability

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

Initial Public Offer (IPO)

During 2009-10, your Company had successfully carried out an Initial Public Offer of 9,265,275 Equity Shares which was oversubscribed by more than nine times. The issue comprised a fresh issue of 5,896,084 Equity Shares of Rs. 10 each and offer for sale of 3,369,191 Equity Shares by the Promoters of the Company. The net proceeds to the Company from the issue was Rs. 17,688 lakh and the shares were listed on the National Stock Exchange

of India Limited and the BSE Limited on 16th July, 2009.

Your Directors are pleased to inform you that during the year under review your Company completed the utilisation of entire fund raised from the IPO towards the objects of the issue, as amended.

Institutional Placement Programme (IPP)

During the year under review, your Company had successfully carried out an Institutional Placement Programme (IPP) and allotted the shares to Qualified Institutional Buyers (“QIBs”) under Chapter VIII-A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, in order to meet the minimum public shareholding requirements of 25 per cent. Accordingly on 12th April, 2013, your Company issued and allotted 4,141,084 Equity Shares of Rs. 10 each at a premium of Rs. 245 per share aggregating to Rs. 10,560 lakh to QIBs under IPP.

As on 31st March, 2014, the Company has utilised Rs. 7314 lakh out of the funds raised from the IPP proceeds towards objects of the Issue.

Corporate Governance Report

A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Management Discussion and Analysis Report

A detailed analysis of the Company’s operational and financial performance as well as the initiatives taken by the Company in key functional areas such as Human Resources, Quality and Information Technology is separately discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report. This report also discusses in detail, initiatives taken by the Company in the areas of Corporate Social Responsibility and Sustainability.

Scheme of Amalgamation and Arrangement

Bell Tower Resorts Private Limited (“BTRPL”), wholly owned subsidiary of the Company owns a resort consisting of 106 rooms in the name of “Emerald Palms” at Varca, Goa. In order to create a larger entity resulting in optimal management and synergy benefits beside creating economies of cost, enhancing flexibility and pooling of managerial resources your Board felt that it is in the best interest of the Company to merge BTRPL with the Company.

Accordingly, during the year under review, your Board has approved the Scheme of Amalgamation and Arrangement of BTRPL with the Company and their respective shareholders and creditors (the “Scheme”). The Appointed Date of the Scheme is 1st April, 2013 and the Scheme shall be effective from the last

of the dates on which the certified or authenticated copies of the orders of the Hon'ble High Court of Bombay at Goa, Panaji, and Hon'ble High Court of Madras are filed with the Registrar of Companies, Goa and Chennai (Tamil Nadu) respectively.

Subsequent to the approval of the Scheme by the shareholders of the Company at a Court Convened Meeting held on 19th February, 2014, your Company has filed a petition before Hon'ble High Court of Judicature at Madras for its approval of the Scheme. Further, BTRPL has obtained the approval on the Scheme from the Hon'ble High Court of Bombay at Goa on 2nd May, 2014. However, pending the approval of the Scheme from the Hon'ble High Court of Madras, no impact of the Scheme is given in the financial statements of the Company as of 31st March, 2014

Stock Options

Your Company has formulated the Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2006 (MHRIL ESOS). The MHRIL ESOS is administered and implemented by Mahindra Holidays & Resorts India Limited Employees Stock Option Trust (the "Trust") in accordance with the directions of the Nomination and Remuneration Committee (the "Committee") and in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (the "SEBI Guidelines").

During the year under review, on the recommendation of the Committee, 35,000 new Options were granted out of lapsed option available with the Trust under the MHRIL ESOS. Details required to be provided under the SEBI Guidelines are set out in Annexure I to this Report.

The Company has received a certificate from the Auditors of the Company that the MHRIL ESOS has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by members.

Directors

Mr. Rajiv Sawhney, Managing Director & CEO resigned from the services of the Company and also as member of the Board with effect from the closure of business hour on 31st March, 2014. The Board places on record its recognition of the services rendered by Mr. Sawhney during his tenure as a Managing Director & CEO of the Company.

During the year under review, Mr. Sanjeev Aga who was appointed as an Additional Director with effect from 18th April, 2013, was appointed as a Director at the Annual General Meeting of the Company held on 29th July, 2013.

In terms of the Articles of Associations of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. A K Nanda (Non Executive Non Independent Director), Mr. Rohit Khattar and Mr. Sridar Iyengar, Independent Directors,

will retire by rotation, at the ensuing Annual General Meeting. Mr. Nanda, being eligible, offers himself for re-appointment.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Khattar and Mr. Iyengar being eligible and seeking re-appointment, are proposed to be appointed as Independent Directors, not liable to retire by rotation for a period of five consecutive years.

Further, Mr. Cyrus J Guzder and Mr. Sanjeev Aga, being Independent Directors, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 are proposed to be appointed as Independent Directors, not liable to retire by rotation, for a term of 5 years from the date of the Annual General Meeting in terms of the provisions of Section 149 of the Companies Act, 2013.

The Company has received requisite notices in writing from a member proposing Mr. Khattar, Mr. Iyengar, Mr. Guzder and Mr. Aga for appointment as Independent Directors. A brief resume of Mr. Khattar, Mr. Iyengar, Mr. Guzder and Mr. Aga, are provided in the Report on Corporate Governance, which forms part of this Annual Report.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Subsidiary Companies

During the year under review, MHR Hotel Management GmbH, Austria and BAH Hotelanlagen AG, Austria ceased to be subsidiaries of your Company consequent upon divestment

of the entire investments in these companies with effect from 29th November, 2013.

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of the Company's subsidiaries is attached.

In accordance with the General Circular issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to any Shareholder of the Company who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiaries would also be available for inspection by any Shareholder at the Registered Office of the Company and at the Office of the respective subsidiary companies, during working hours up to the date of the Annual General Meeting.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard AS21 form part of this Annual Report.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies and a joint venture company.

Auditors

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

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written certificate from the above auditors proposed to be reappointed to the effect that their re-appointment, if made, would be in conformity with the provisions specified in the said sections.

Public Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review. The details of loans or advances which are required to be disclosed in the Annual Accounts of the Company pursuant to Clause 32 of the Listing

Agreement are furnished separately.

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

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations. These initiatives have been discussed in greater detail in the section on Sustainability in the Management Discussion and Analysis report.

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure II to this Report.

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made thereunder

The Company had 6 employees who were in receipt of remuneration of not less than Rs. 60,00,000 during the year ended 31st March, 2014 or not less than Rs. 5,00,000 per month during any part of the said year. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the shareholders of the Company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy of the statement may write to the Company.

Acknowledgement and Appreciation

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

For and on behalf of the Board

A K NANDA
Chairman

Place: Mumbai

Date: 3rd June, 2014

Annexure I to the Directors' Report for the year ended 31st March, 2014

Information to be disclosed under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 :

a)	Options granted	1951350
b)	The pricing formula	Grant II - Granted on 30 th March, 2007
		Grant III - Granted on 1 st November, 2007
		Grant V - Granted on 1 st November, 2008
		Grant VI - Granted on 21 st February, 2012
		Grant VII - Granted on 21 st February, 2012
		Grant VIII - Granted on 21 st February, 2013
		Grant IX - Granted on 29 th January, 2014
		The options were granted prior to the listing of Company's shares. These options were granted, based on the valuation done by an independent Chartered Accountant using Discounted Cash Flow Method
		Average price preceding the specified date - 25 th July, 2011
		Average price preceding the specified date - 29 th October, 2011
		Average price preceding the specified date - 31 st January, 2013
		Average price preceding the specified date - 29 th January, 2014
		Average price - average of the daily high and low of the prices of the Company's Equity Shares quoted on National Stock Exchange of India Limited during the 15 days preceding the specified date.
		The specified date - Date on which the Remuneration Committee decided to recommend to the Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust to grant the Options.
c)	Options vested	1,232,222 Options stand vested on 31 st March, 2014.
d)	Options exercised	895,865
e)	The total number of shares arising as a result of exercise of options	895,865 Equity Shares of Rs. 10/- each. These were transferred from the Trust to the Eligible Employees.
f)	Options lapsed	558,833
g)	Variation of terms of options	The Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme 2006 formulated prior to the Initial Public Offering (IPO) of the Company was ratified by the Company subsequent to IPO on 16 th December, 2009 by seeking the consent of shareholders through Postal Ballot.
h)	Money realised by exercise of options	Rs. 24,296,840.00
i)	Total number of options in force	496,652
j)	Employee-wise details of options granted to:	

i)	Senior Managerial Personnel	Names of Directors and Senior Managerial Persons to whom stock options have been granted	Number of options granted in March, 2007 *	Number of options granted in November, 2007 **	Number of options granted in November, 2008 ***	Number of options granted in February, 2012 #	Number of options granted in February, 2012 #	Number of options granted in February, 2013 #	Number of options granted in January, 2014 ##
		Mr. A K Nanda	-	9,510	10,500	-	-	-	-
		Mr. Rajiv Sawhney (Resigned w.e.f. closure of business hours on 31 st March, 2014)	-	-	-	400,000	-	-	-
		Mr. Uday Y Phadke	-	3,170	3,500	-	-	-	-
		Mr. Cyrus J Guzder	-	-	-	-	-	-	-
		Mr. Rohit Khattar	-	-	-	-	-	-	-
		Mr. Vineet Nayyar	-	10,000	-	-	-	-	-
		Mr. Sridar Iyengar	-	-	-	-	27,500	-	-
		Mr. Ravindera Khanna	3,570	-	2,830	-	-	-	-
		Ms. Vimla Dorairaju	3,910	-	3,090	-	-	-	-
		Mr. Mohit Bhatia	-	-	-	-	54,000	-	-
		Mr. Rohit Malik	-	-	-	-	-	60,000	-
		Mr. Dinesh Shetty	-	-	-	-	-	40,000	-
		Mr. Sujit Paul	-	-	-	-	-	30,000	-
		Mr. Indranil Chakraborty (Resigned w.e.f 30 th June, 2013)	-	-	-	-	65,000	-	-
		Mr. Alope Ghosh (Resigned w.e.f 31 st December, 2013)	-	-	-	-	40,000	-	-
		Ms. Deepali Naair	-	-	-	-	-	-	35,000

* All the above Options have been exercised.

** 56,700 options have been vested till 31st March, 2014, of which 55,114 options have been exercised by the eligible employees.

*** 160,600 options have been vested till 31st March, 2014, of which 139,684 options have been exercised by the eligible employees.

Options vested during the year but not exercised.

fresh Grant of Options made during the year.

ii)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Names	Number of options granted in February, 2012	Names	Number of options granted in February, 2013	Names	Number of options granted in January, 2014
		Mr. Rajiv Sawhney (Resigned w.e.f 31 st March, 2014)	400,000	Mr. Rohit Malik	60,000	Ms. Deepali Naair	35,000
		Mr. Indranil Chakraborty (Resigned w.e.f 30 th June, 2013)	65,000	Mr. Dinesh Shetty	40,000		
		Mr. Alope Ghosh (Resigned w.e.f 31 st December, 2013)	40,000	Mr. Sujit Paul	30,000		
		Mr. Mohit Bhatia	54,000				
iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL					

k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	Rs. 10.75						
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted, the employee compensation cost would have been higher by Rs. 10.27 lakhs, Profit after tax lower by Rs. 10.27 lakhs and the basic and diluted earnings per share would have been lower by Rs. 0.01.						
m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options Grant Date		Exercise Price (Rs.)		Fair Value (Rs.)		
		30 th March, 2007		52.00		16.36		
		1 st November, 2007		52.00		16.55		
		1 st November, 2008		52.00		16.04		
		21 st February, 2012		370.00		113.81		
		21 st February, 2012		323.00		129.93		
		21 st February, 2013		323.00		94.43		
		29 th January, 2014		253.00		83.75		
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the stock options have been calculated using Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:						
		Grant dated 30 th March, 2007	Grant dated 1 st November, 2007	Grant dated 1 st November, 2008	Grant dated 21 st February, 2012	Grant dated 21 st February, 2012	Grant dated 21 st February, 2013	Grant dated 29 th January, 2014
(i)	risk-free interest rate,	7.92%	7.72%	7.34%	8.00%	8.00%	7.78%	8.81%
(ii)	expected life,	5.00	5.00	5.00	6.00	6.00	3.50	3.50
(iii)	expected volatility,	Nil	Nil	Nil	0.33	0.33	0.31	0.29
(iv)	expected dividends, and	Nil	Nil	Nil	Rs. 4.00	Rs. 4.00	1.38%	1.66%
(v)	the price of the underlying share in market at the time of option grant.	Not Applicable as the shares of the Company are not listed at the time of option grant.			329.80	329.80	290.10	240.35

- Note:
- The entire options granted under Grant - IV on 4th February, 2008 were either lapsed or surrendered.
 - The options granted under Grant I, Grant II & Grant III stand augmented by 5 Bonus options for every 3 existing options on account of 5:3 Bonus Issue made in November, 2007.
 - Grant I either has been exercised or lapsed.

Annexure II to the Directors' Report for the year ended 31st March, 2014

Particulars as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014

A. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken: The operations of your Company are not energy intensive. However, adequate operational measures have been initiated to reduce energy consumption.
- b. Additional investments and proposals, if any, are being implemented for reduction of consumption of energy:
 1. Replacement of high watts CFL by low watts CFL/LED.
 2. Solar hot water system in resorts.
 3. Installation of Chiller.
 4. Installation of motion and time control for lighting systems.
- c. Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: No Major impact due to the renovation period.
- d. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the schedule: Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1. Areas in which R&D is carried out	: Not Applicable
2. Benefits derived as a result of the above efforts	: Not Applicable
3. Future plan of action	: Nil
4. Expenditure on R&D	: Nil
5. Technology absorption, adaptation and innovation	: Nil
6. Imported technology for last 5 years	: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board

Place : Mumbai
Date : 3rd June, 2014

A K NANDA
Chairman

Annexure to Loans and Advances as per Clause 32 of the Listing Agreement:

Particulars of loans and advances, and investments in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company and its holding company Mahindra & Mahindra Limited.

Loans and advances in the nature of loans to subsidiaries:

(Rs. in lakh)

Name of the Company	Balance as on 31 st March, 2014	Maximum outstanding during the year
Heritage Bird (M) Sdn Bhd.	940.16	940.16
Bell Tower Resorts Private Limited	6506.83	6506.83
Holiday on Hills Resorts Private Limited	2922.71	2922.71
Divine Heritage Hotels Private Limited	1687.00	1687.00
Infinity Hospitality Group Company Limited	2520.80	2520.80
MH Boutique Hospitality Limited	515.20	515.20
Gables Promoters Private Limited	1076.06	1076.06

MANAGEMENT DISCUSSION AND ANALYSIS

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays' or 'the Company') is a leading player in the leisure hospitality industry. It has established vacation ownership in India, and is the market leader in the business. It offers complete holiday solutions to its customers that are designed for the discerning and differentiated needs of families.

This chapter presents an overview of the markets and opportunities as well as the operational and financial performance of the Company during 2013-14. It also highlights Mahindra Holidays' strategy, and discusses important initiatives taken by the Company during the year to achieve its growth and performance objectives.

Introduction and Key Achievements

During 2013-14, Mahindra Holidays continued to work towards its strategic objective of ensuring that its growing membership gets the best holiday experience. It has registered substantial success in upgrading the membership experience across all customer touch points – be it in membership related transactions, holiday planning or at the resorts. The investments in technology and focus on improving and standardising its business processes have contributed significantly to this progress.

Here are the key highlights :

- Mahindra Holidays added around twelve thousand members to its vacation ownership business in 2013-14 – after considering the net cancellation the total membership base stood at around 1.70 lakh at the close of 2013-14.** This is creditable for two reasons. First, the subdued macroeconomic environment over the last couple of years along with high inflation and interest rates have resulted in a deterioration of consumer sentiment and affected discretionary purchase decisions. Second, changes in TRAI guidelines on telemarketing impacted customer acquisition through the channel under the prevailing processes. Although the Company has successfully introduced processes that meet the new guidelines and implemented newer ways to reach out to potential customers, it did constrain growth in the intervening period. These have been discussed in greater detail in the sections on 'Markets and Opportunities' and 'Business Performance'.
 - With significant addition to the room inventory in the previous two years, the Company's focus in 2013-14 was on taking a longer-term view and building its own properties which can provide a more complete experience to our members. *Mahindra Holiday's is working on four greenfield and expansion projects across the country that will add around 500 units to the inventory in the next couple of years. It is also aggressively pursuing opportunities for greenfield projects and long-term leases in new areas and destinations, including international destinations preferred by Indian travellers.* Key developments have been covered in greater detail in the section on 'Properties and New Projects'.
 - There has been a consistent increase in member satisfaction as a result of the initiatives carried out across all customer facing processes. These are reflected in improved Customer as Promoter (CAP) scores, post-holiday feedback scores, higher occupancy, increase in unique member holidays and increase in members getting their first choice of holiday.* Online services continued to grow during the year with the launch of a more robust website which now provides a more complete set of services to our members. This is especially important as a large majority of our current and potential membership base is active online. A more exhaustive discussion on these initiatives and their impact can be found in the sections on 'Member Relations' and 'Operations'.
 - The significantly upgraded information technology (IT) infrastructure continued to actively contribute to the Company's growth and performance objectives.* Today, all operating locations and offices of the Company are connected to its ERP – exchanging real-time information and benefitting from an integrated IT infrastructure. During the year, the Company implemented a more robust CRM solution which has added significant efficiencies to customer acquisition and member relations processes. In another development, the Company launched a 'SellSmart', a technology enabled software solution, to provide potential customers with a compelling all-round view of the product. More on other important technology initiatives can be found in the section on 'Information Technology'.
- The Company's performance during the year should be looked at in the context of the following two sets of factors.
- First, the adverse macroeconomic and policy environment. Mahindra Holidays markets a high-value discretionary product and the marked deterioration in consumer confidence did impact immediate performance.
 - Second, realignment of its strategic priorities. Several initiatives were carried out during the year to address higher costs as a result of a larger member base as well as change in business processes. Besides, the company is looking to add substantial inventory through greenfield projects and expansions over the next couple of years. This will yield results in the long run.
- The key financial results for 2013-14 were:
- Total income of the Company (including other income) grew at 12 per cent from Rs.715.9 crore in 2012-13 to Rs. 798.9 crore in 2013-14.*

- *Profit after tax (PAT) declined from Rs. 106.9 crore in 2012-13 to Rs. 94.53 crore in 2013-14. Net margin (PAT/Total income) stood at 12 per cent during 2013-14.*
- *Diluted EPS was Rs. 10.75 in 2013-14, down from Rs. 12.75 in the previous year.*

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

Markets and Opportunities

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

The addressable market for its products is urban families with a capability to incur discretionary expenditure. India has seen a significant growth in the size of this market in the last 10-15 years. Besides, the changing socio-economic character and lifestyles of a large sections of the society has resulted in an increased willingness to holiday for leisure, which was traditionally restricted to visiting family members or religious tourism. And, this is not limited to the younger generations. In fact, extended family holidays is an emerging trend which is likely to become a huge market in the next few years.

As far as the vacation ownership industry in India is concerned, the market penetration levels are still very low. If one were to look at the 11.5 million households who own a car as a proxy for the addressable market, only one in over thirty car owners has a vacation ownership membership. Similarly, if one compares the Indian vacation ownership industry with the US in terms of its share of the total hospitality sector, the scope for growth in India is over 5 times its current size. Clearly, there is a significant headroom for growth.

Business Performance

Mahindra Holidays believes that there is a significant potential for growth of vacation ownership business in India. During the year, it has taken several measures to tap this opportunity.

First, as most of its addressable market is very active online, the Company has made a conscious effort to focus on 'digital', both as a channel for future membership growth and to build its brand. As a result, response times to customer leads, queries or online mentions are being cut drastically.

Second, the Company is actively looking at moving sales and marketing beyond the top metropolitan and Tier I cities. During the year, the distribution network for the business was expanded from around 100 locations to 120 locations. Most of this expansion was in Tier II cities through third party distribution agents. While this will continue, the Company is also looking at increasing its footprint in international markets with sizeable Indian population.

Third, the Company launched 'SellSmart', a technology enabled software solution, across its entire sales and distribution network. This solution provides the sales person an interactive presentation on a touchscreen device to deliver potential customer with a compelling all-round view of the product. This has been very successful and improved the conversion rate of potential leads to members.

Finally, with the increase in satisfaction levels, the Company is looking at innovative ways to reach out to its members and seek their participation in promoting the product. New referral programme is being introduced for our members and is also offering to them opportunity to upgrade their membership level.

These measures implemented during the year have been successful in countering immediate challenges faced by the Company due to subdued demand and restrictions placed by TRAI on tele-marketing. But, greater benefits will accrue in 2014-15 as these measures remain active for the full financial year and the market situation improves.

During the year, the Company unveiled a fresh new brand identity for its flagship brand – Club Mahindra, which is inspired by the thought 'make every moment magical'. The thought reflects the ethos of the organisation which strives to create magical experiences for the entire family during their holidays.

Vacation Ownership

'Club Mahindra' is the Company's flagship product in the business, which entitles a week's holiday every year for a period of 10 or 25 years. Mahindra Holidays has recorded significant growth in the membership of its vacation ownership business over the last five years. During 2013-14, the Company added around twelve thousand members and taking the total membership to around 1.70 lakh as on 31st March, 2014.

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

Travel Business

'Club Mahindra Travel' is the travel integration service for 'Club Mahindra' members to take care of their entire range of travel needs. The business also provides a complete range of travel services including Meetings, Incentives, Conferences, and Exhibitions (MICE) for corporate clients.

Properties and New Projects

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

Building inventory and adding new destinations has been a key strategic objective for the Company. With significant addition to room inventory during the last couple of years, the focus during 2013-14 was on greenfield developments, which allows the Company to offer the complete Club Mahindra experience to its members.

Development activity is currently in progress for greenfield projects in Goa, Kanha (Madhya Pradesh) and Naldhera (Shimla) and expansion in our project at Virajpet (Coorg) and Munnar (Kerala). These will add around 500 units to the inventory in the next couple of years.

Apart from this, the Company has land bank at several destinations. Efforts are also on to expand this further. Other than this, some of our existing resorts also have additional land that can be utilised for further expansion of these properties like Ashtamudi and Munnar. This will provide the flexibility to build destinations and add customised inventory on an ongoing basis.

At the end of 2013-14, Mahindra Holidays had an inventory of around 2,400 units and offered its members a choice of 40 resorts – something that no other company in India currently offers to its customers.

Resort Operations

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

Mahindra Holidays continued its initiative on institutionalising 'post-holiday feedback' as the chief mechanism to measure its success in delivering quality holiday experience to its customers and addressing their concerns. We are happy to report that the feedback scores have consistently improved during the year. Efforts are in progress to further improve the coverage of the feedback, both in terms of processes and resort locations.

As a Company marketing long duration products and services to its members, Mahindra Holidays ensures that quality of infrastructure and facilities are well maintained and upgraded regularly to meet customer expectations. Significant investments were made to upgrade around 300 rooms across multiple locations.

The Company has a unique distinction of having 15 RCI Gold Crown resorts in India, which bears testimony to the high standards of resort facilities, amenities and services that our resorts offer. Adding up to the RCI awards, we have achieved 15 Trip Advisor awards, 17 Holiday IQ awards during the year.

Holiday activities continues to be an important focus area. Depending on the terrain and type of holiday a destination offers, these activities are built around the themes of learning, adventure, relaxation and local experience. The resorts are being continuously upgraded with infrastructure as well as activities and experts who help members get the most out of the holiday.

Recently, we have inducted 30 young smart 'Fun Rovers' across the resorts after a 60 days intensive skill training in performing arts and other skills. Adventure activities such as Rock climbing, Zip line, Burma Bridge have been introduced in at least three of our resorts. A minimum of four pre-decided special events are conducted per month at our resorts on a regular basis. These efforts have resulted in a continuous growth in the PHF Scores and revenues from holiday activities.

In the area of food and beverage (F&B), efforts are continuously made to increase the variety and make the dining experience more exciting. This included introduction of a new concept called 'Outrageous Food' during the year. Activities are also regularly carried out to showcase local cuisine, celebrate festivals and events. Besides, new restaurants are being planned for larger resorts and the concept of 'Gourmet Express' is being rolled-out to all resorts. The Company has institutionalised internal training programmes to build the capabilities necessary to implement these changes.

Mahindra Holidays' resorts in Dharamsala, Kumbhalgarh, Puducherry, Munnar and Ooty received Branch Hygiene Code certification during the year. This certification is awarded upon meeting prescribed standards of hygiene in all activities related to F&B – from procurement of raw materials to preparation and serving it to the customers.

Member Relations

As a company that markets long-duration discretionary product, member satisfaction is the key to Mahindra Holidays' success. Responsive and effective member relations are critical to meet the Company's objectives in this regard. During 2013-14, the Company witnessed significant improvement in the overall member satisfaction levels. Deployment of technology and improvement in processes have played a defining role in this progress. Some of the key achievements are discussed below.

- **Online Services:** *The percentage of online bookings increased to 45 per cent in 2013-14, from 29 per cent in the previous year. During the year, the Company upgraded its website, which now offers all facilities available at the Company's call centre.* These have not only increased the transparency, but also increased the efficiency of booking process – contributing to a superior member experience.
- **Getting Members to Holiday:** This has been an important focus area for the Company, and was achieved through proactive campaigns and follow-up using voice calls, targeted email and SMS contact. During 2013-14, approximately 13,000 additional members availed a holiday through these campaigns and follow ups. Further, approximately 50 per cent of the active but the non-holidayed member base availed of their holidays due to these efforts. **Overall, there was a 17 per cent increase in the number of unique members availing a holiday over the previous year. As a**

result, while the effective inventory went up by 18 per cent, the total number of rooms occupied went up by 22 per cent. Occupancy rate increased by 2 percentage points to 83 per cent in 2013-14.

- **Choice of Holiday:** Another measure of success is the conversion rate of holidays once a member displays intent at any of the Company's contact points. *During the year, 90 per cent of members who demanded a holiday ended up holidaying with us at least once, up from 85 per cent in the previous year. Besides, regular sample checks reveal that 73 per cent of members got their first choice of holiday.* This is significant given the wide choice of resorts and dates that is available to the members and augurs well for the long-term satisfaction of our members.
- **New member on-boarding:** Another area where the Company achieved significant success was new member on-boarding. *Currently, over 94 per cent of membership kits are dispatched within 10 days of registration. Also, the Company reaches out proactively to help new members book their first holidays.*

As mentioned earlier, an increased focus of the Company to listen and understand member feedback and their concerns has been instrumental in realising these improvements. During 2013-14, there has been a sizeable increase in loyalty scores based on feedback received through both the Company's internal feedback generation mechanisms as well as external surveys. Overall member complaints, especially those related to reservations, have come down sharply over the year.

Human Resources (HR)

Mahindra Holidays is a pioneer in the vacation ownership industry in India. Given the highly specialised nature of the business and the large number of locations where we operate, attracting and nurturing the right people is at the core of the Company's strategy for success and growth. Accordingly, the HR function at Mahindra Holidays is organised into three key areas: customer acquisition, resort operations and corporate. During the year, the Company successfully inducted people to meet the needs of the growing business both from outside as well as through talent management and capability development initiatives aimed at development of existing employees. The key developments are discussed below.

Standardising the customer acquisition process is a key area of focus for the Company. In the previous year, it had established the 'Club Mahindra One Sales Process' which required all sales personnel to go through an intensive training and certification programme. During 2013-14, the Company build on it by extending it to all front line sales and tele-marketing executives. An intensive training programme was also implemented during the year to enable the launch of 'SellSmart' – which takes the

Company a step further in its journey of standardising the customer acquisition process. The coverage of these training programmes is 100 per cent of eligible executives.

In the area of resort operations, the Company introduced certification programmes of the prestigious American Hotel and Lodging Educational Institute (AHLEI) during the year. It already has institutionalised talent development programmes such as Club Mahindra Executive Trainee (CMET) programme for resort operations and Sous Chef Live for executive training in F&B. These programmes have been extremely successful and contributed significantly to the staffing of our new resorts in the last few years.

On the corporate and organisational development front, the Company regularly nominates executives to participate in development programmes and workshops to enhance their skills. Specific activities and programmes are undertaken to align the employees with the culture and business goals of the organisation. In line with this, the Company has institutionalised a strong employee engagement initiative which encourages them and recognises their achievements.

Overall employees received an average of 6 man days of training during the year. Going forward, focus will be on all increasing the coverage of executive training to cover all consumer facing roles within the Company. As on 31st March, 2014, there were 3,128 people on the rolls of the Company. Industrial and employee relations remained cordial throughout the year. Pursuant to the provisions of 'The Sexual Harrasment of Women at Workplace (Prvention, Prohibition and Redressal) Act, 2013' ["the Act"] and Rules framed thereunder, the Company has aligned its existing Policy to bring it in line with the provisions of the Act and has taken necessary steps to ensure compliance with the Act. During the year, one complaint was received by the Company and the same was disposed off in line with the Policy.

Quality

Mahindra Holidays has adopted the principles of Total Quality Management (TQM) under the banner of 'The Mahindra Way' – the Mahindra Group's integrated approach to promote excellence in all spheres of its operations. Through relentless focus on quality over the last few years, the Company has successfully institutionalised systems in the three critical business processes – resort operations, customer acquisition and member relations – and is in the process of extending it to other functions. Some of the key developments during the year are discussed below.

During the year, participation increased significantly with all businesses undertaking process improvement projects embracing principles of TQM, Kaizen and Daily Work Management (DWM). In an important development, DWM and Kaizen trainings are now being conducted by the in-house 'business excellence

team' which has resulted in better clarity and execution of the improvement projects. During 2013-14, the Company reached a significant milestone of completing 100 Mahindra Yellow Belt (MYB) projects.

Last year, the Company had established an audit system for its DWM and MYB projects to assess their implementation. Accordingly, audits were successfully carried out in 6 resorts during the year and follow-up actions were initiated where required. With the implementation of the audit and follow-up procedures, the Company has successfully established the plan-do-check-act (PDCA) cycle, which is a critical requirement for building a quality oriented organisations. Implementation of the audit systems will be extended to customer acquisition and member relations in 2014-15.

In a significant move, standardisation through implementation of Standard Operating Procedures (SOPs) was extended to Travel Business and Administration department during the year. Also, the SOPs for the resort operations were revised to reflect the current best practices and were made available on the Company's intranet. This was also followed-up with a round of audit. Similarly, the member relations department added 15 new SOPs in their processes by implementing change control system in line with the ISO 9000 standard.

Going forward, the focus for the organisation will be to move towards visual/video SOPs which will enable much more effective dissemination and training of employees in the business processes. This has already been initiated for resort operations. Given the importance of interactions between different functional areas, the Company is also actively looking to institutionalise concepts such as cross-functional teams, quality circles and Failure Mode and Effects Analysis (FEMA) to move forward on its journey of building a quality and systems driven organisation.

Information Technology (IT)

Mahindra Holidays' believes that technology today plays an active role in providing a competitive edge in the market and contributes directly to meeting business goals. Over the last few years, the Company has invested significant resources in large-scale upgrading of its IT architecture and is actively benefiting from these investments in all key spheres of its operations — be it customer acquisition, resort operations or member services.

The Company has a SAP based property management system and the finance module for its existing resorts. As a result, the inventory information flows in real-time, which has significantly improved the utilisation of assets. Today, all operating locations and offices of the Company are connected to its ERP — exchanging real-time information and benefitting from an integrated IT infrastructure. During the year, the Company implemented a more robust CRM solution called SIEBEL which has added significant efficiencies to customer acquisition and

member relations processes. It also carried out a data centre consolidation by moving to a Tier-3 data centre and established a disaster recovery site.

In the area of customer acquisition, we have already mentioned the launch of 'SellSmart'. As the solution is linked to the core IT infrastructure, all information provided by the customers is seamlessly exchanged through the solution for follow-up action. Besides, this also enables the Company to monitor the efficacy of its sales process and at the same time deliver a consistent experience to our customers. In another initiative, the Company has revamped its digital leads management systems, so that all leads generated on the internet are now responded in less than two working hours.

The Company also upgraded its website during the year, which now is not only faster, but also offers almost all facilities available at the Company's call centre. Travel Business of the Company is now integrated with the Club Mahindra website. These online features such as managing membership account, holiday bookings, payments, amendments and utilisation of vouchers have been very popular with the members. The impact of these changes on member satisfaction has already been presented in the section on 'Member Relations'.

Corporate Social Responsibility (CSR)

As a part of the Mahindra Group, your Company has been at the forefront of taking affirmative action as a responsible organisation that seeks to contribute to the socio-economic well-being and development of the communities and the ecosystem that it interacts with in carrying out its business. *In recognition of its efforts, Mahindra Holidays received the Rotary Binani Zinc CSR Excellence Award for the year 2013-14.*

Apart from working with local NGOs and contributing resources for socially relevant projects, the Company also encourages community service by its employees by involving them in the implementation of these CSR activities through its 'Employee Social Options Programme'. *During the year, employees volunteered 12,725 man hours on CSR initiatives.* Some of these were:

- **Education:** The Company sponsored the education of 1,119 girls through the "Nanhi Kali" project. In activities carried across its resort locations, educational material and amenities were provided to underprivileged students and schools, training and development programmes were carried out for self-help groups and youth, information sessions were carried out in the areas of career awareness and opportunities, personal grooming, hygiene, cleanliness and safety.
- **Environment:** Around 36,000 trees were planted during the year as a part of 'Mahindra Hariyali' — an initiative of Mahindra Group for tree plantation. Awareness

programmes are regularly carried out to sensitise the local communities on environmental issues and promoting green practices. Other regular initiatives included cleanliness drives on beaches and other ecologically sensitive areas, and 'Say No To Plastic' campaign – all of which were carried out at several locations.

- **Health:** The Company regularly carries out blood donation and medical check-up camps, awareness sessions in the areas of health, natural remedies, and HIV/AIDS to benefit the local communities in which it operates. Several such activities were carried out across most of the Company's resorts.

Sustainability

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

Mahindra Holidays' initiatives in this sphere are carried out in line with a five-year 'Sustainability Roadmap', which identifies the key areas of focus and parameters that will be tracked

to measure the progress of the Company in its sustainability journey. Some of the key areas that have been identified for implementing sustainable practices include conservation of biodiversity, environment, energy and water as well as sourcing and community development.

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

The Company actively participates in the Mahindra Group's journey for Corporate Sustainability Reporting. The 'Sustainability Report' of the Group is prepared in accordance with the internationally accepted framework specified by the Global Reporting Initiative (GRI). This framework sets out the principles and indicators that should be used to measure and report economic, environmental and social performance. During 2013-14, several large resorts of the Company participated in sustainability reporting of the Group.

Financials

Table 1: Abridged Profit and Loss Statement

	(Rs. Crore)	
	2013-14	2012-13
Operating Income	777.52	701.55
Other Income	21.41	14.39
Total Income	798.93	715.94
Operating & Other Expenses	618.51	534.30
Financial Expenses	0.97	1.60
Depreciation	38.03	21.19
Total Expenditure	657.51	557.09
PBDIT	180.42	181.64
PBDT	179.45	180.04
PBIT	142.39	160.45
PBT	141.42	158.85
Tax	46.89	51.87
PAT	94.53	106.98
Diluted EPS (Rs.)	10.75	12.75

Table 1 presents the abridged profit and loss statement of the Company as a standalone entity. Here are the key highlights of the financial performance.

- Total income, which includes both operating and other income, grew at 12 per cent from Rs. 716 crore in 2012-13 to Rs. 799 crore in 2013-14. In spite of a decline in the number of net member addition during 2013-14 as compared to 2012-13, the growth is primarily on account of increase in annuity based income and increase in F&B revenue. The growth in income is partially compensated by decrease in securitisation income from Rs. 11.61 crore in 2012-13 to Rs. 3.77 crore in 2013-14.
- Operating and other expenses grew at 16 per cent from Rs. 534 crore in 2012-13 to Rs. 619 crore in 2013-14. The key elements of this increase are resorts operation cost which in line with increase in revenue from resorts, upgrading of current resorts and marketing expenses on account of launch of new brand identity.
- Depreciation grew by Rs. 17 crore from Rs. 21.19 crore in 2012-13 to Rs. 38.03 crore in 2013-14. The increase is in primarily on account of SAP implementation and completion of projects at various locations.
- Profit after tax (PAT) declined from Rs. 107 crore in 2012-13 to Rs. 95 crore in 2013-14. Diluted EPS was Rs. 10.75 in 2013-14, down from Rs. 12.75 in the previous year.

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

Internal Controls

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

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

The Company has migrated to a new ERP and as the ERP system stabilises, appropriate controls are being embedded in processes and systems, to reduce the need and reliance for compensating manual controls. Concurrently, all existing controls (manual / system) are being comprehensively reviewed to further strengthen controls over financial reporting.

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

Threats, Risks and Concerns

Mahindra Holidays has a risk management framework in place for identification of risks, assessment of their nature, severity and potential impact, and measures to mitigate them. This framework has established mechanisms for adequate and timely reporting and monitoring. Risks are reviewed periodically and updated to reflect the business environment and change in the size and scope of the Company's operations.

Macroeconomic Risks

The macroeconomic and policy environment in India continues to be subdued. The tight monetary policy followed by the RBI to check high inflation has kept interest rates high and affected India's growth prospects. These factor have created a negative consumer sentiment, especially when it comes to discretionary spend such as holidays.

The Company recognises these risks and has initiated measures to minimise their impact. This includes focusing on customer acquisition and experience and expanding the addressable market base. Other initiatives include renewed focus on vacation ownership product for corporate clients.

Operational Risks

Operational risks mainly relate to meeting customer expectations in terms of quality of service and maintaining a balance between the inventory of resorts and growth of customers. These assume significance given the long service duration of the key products. As there are multiple choices, there could be occasion where the first choice of holiday requested by the customers may not be available. The Company may not be able to make available the choice of location / dates as desired by customers on every occasion, which could result in dissatisfaction. Another operational risk is in the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry with unique characteristics. Further, some of the Company's resorts are located in remote areas and during any natural calamities situations like earthquake, flood, etc may affect the accessibility of the resort to the members and also affect the online connectivity with the resorts.

The Company has invested significant resources in systems and processes to ensure quality of service and overall experience of the customers to mitigate these risks. As noted earlier, there has been a consistent improvement across all parameters that we track for customer satisfaction. Transparent and automated booking process helps in reducing the level of customer dissatisfaction. Regarding room inventory, the Company will

continue to be judicious in the use of different options – fresh developments, expansions and leases – to meet the expectation of our customers and at the same time maintain a balance between the demand and supply. As far as talent management and retention is concerned, the management believes that its human resource practices enhance employee engagement and satisfaction to mitigate these risks.

Financial Risks

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

Currently, Mahindra Holidays has a strong and stable capital structure to raise capital for further expansion, if necessary. The Company undertakes comprehensive assessment of the profile of its customers and carefully monitors its exposure to credit risk. The Company is currently carrying out a comprehensive review of the payment and overdue collection process to streamline for better efficiency. This will aid the management to form an early informed judgement regarding the reasonableness or otherwise of ultimate collection of its receivables and take suitable action.

Regulatory and Legal Risks

Mahindra Holidays is exposed to regulatory and legal risks. These include cumbersome processes and risks relating to land acquisition, conversion of land for commercial usage and development of properties, environmental clearances and activities related to development of new resorts. There are also other regulatory and legal risks pertaining to tax proceedings, legal proceedings on properties, customer complaints, non-compliance of regulations including environmental regulations and those pertaining to the hospitality sector.

The Company has systems and controls in place to mitigate these risks and minimise instances of non-compliance.

Outlook

Even as the global economic environment showed signs of revival during the year, the situation in India continued to be subdued. The tight monetary policy followed by the RBI has kept interest rates high and which has hurt both investment and demand.

As far as Mahindra Holidays is concerned, it has been directly affected by the decline in this macroeconomic situation which resulted in lower consumer spending. Policy decisions such as changes in TRAI guidelines warranted immediate changes to the customer acquisition processes, which also affected the performance in the interim. In this environment, the Company has performed creditably. Our inventory position is comfortable and the greenfield investments are on track. Our member satisfaction levels – both for transactions and holiday experience – have improved consistently over the last couple of years.

Even as the current market situation poses challenges, we believe that there is significant room for growth. The focus, going forward, will be to capitalise on the opportunity leveraging the scalability that the Company has achieved through its investments in technology and processes. In line with this, the Company has taken concrete steps to build alternate channels and tap newer markets. Therefore, the outlook for 2014-15 is optimistic.

Cautionary Statement

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

Corporate Governance Report

Corporate Governance Philosophy

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays' or 'the Company') is committed to sound corporate governance practices. This has been integral to the way the Company conducts its business since its inception. Mahindra Holidays' corporate governance philosophy is built around the values of transparency, professionalism and accountability. Accordingly, the Company has put in place appropriate systems and procedures for reporting, monitoring and control, which ensure a balance of accountability between the Directors and the Management.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The Company remains fully compliant with it as on 31st March, 2014. This chapter reports the Company's compliance with the Code of Corporate Governance as prescribed under the Clause 49 of Listing Agreement.

Board of Directors

The Board appointed Mr. Sanjeev Aga as an Additional Director on the Board of the Company with effect from 18th April, 2013 and subsequently his appointment was approved by the shareholders at their meeting held on 29th July, 2013. He is a Non-Executive Independent Director. Mr. Rajiv Sawhney, Managing Director & CEO, resigned from the services of the Company with effect from the closure of business hour on 31st March, 2014. In view of the resignation, your Company would be required to appoint Managing Director or Chief Executive Officer or Manager within the period as specified under the Companies Act, 2013 ("2013 Act"). The Company is in the process of complying with the requirements of the provisions of the 2013 Act.

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Chairman of the Board is a Non-Executive Director and half of the Board comprises Independent Directors. During the year ended 31st March, 2014, the Management of the Company was headed by the Managing Director & CEO who operated under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met.

The Non-Executive Independent Directors have the requisite qualifications and experience in general corporate management,

finance, hospitality, telecom, financial services, and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors, while participating in its decision making process.

Mr. A K Nanda, Non-Executive Non-Independent Director and Chairman of the Company, is currently a Non-Executive Non-Independent Director of Mahindra & Mahindra Limited (M&M), the holding company. Mr. Uday Y Phadke, Non-Executive Director of the Company was in whole-time employment of the holding company, Mahindra & Mahindra Limited and is currently Principal Advisor (Finance) of the holding company and draws remuneration from it. Mr. Vineet Nayyar, Non-Executive Director of the Company is in the whole-time employment of an Associate company of your holding company, Tech Mahindra Limited and draws remuneration from it.

Apart from the above and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Independent Directors and Managing Director & CEO would be entitled to under the Companies Act, 2013 (erstwhile Companies Act, 1956), none of the Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding company, its subsidiaries and associate companies which in their judgement would affect their independence except as referred to in "Related Party Transaction" of this report. None of the Directors of the Company are inter se related to each other.

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

Composition of the Board

Mr. Rajiv Sawhney, Managing Director & CEO, resigned from the Directorship of the Company with effect from the closure of business hours on 31st March, 2014. As on 31st March, 2014, the Board comprised of seven Directors. The names and categories of Directors, the number of Directorships and Committee positions held by them in companies as, at the end of the year under review, are given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors.

Directors	Category	As on 31 st March, 2014*		
		Committee Memberships [^]	Committee Chairmanships [^]	Directorships#
Mr. A K Nanda	Non-Executive Chairman	7	4	12
Mr. Rajiv Sawhney**	Managing Director & CEO	1	Nil	2
Mr. Uday Y Phadke	Non-Executive Director	8	Nil	7
Mr. Vineet Nayyar	Non-Executive Director	1	Nil	7
Mr. Cyrus J Guzder	Independent Director	2	Nil	3
Mr. Rohit Khattar	Independent Director	2	Nil	5
Mr. Sridar Iyengar	Independent Director	4	4	5
Mr. Sanjeev Aga	Independent Director	4	1	6

* Excludes private limited companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956.

[^] Committees considered are Audit Committee and Shareholders/Investors Grievance Committee ("Stakeholders Relationship Committee"), including that of Mahindra Holidays & Resorts India Limited.

Excludes Alternate Directorships but includes Additional Directorships and Directorship in Mahindra Holidays & Resorts India Limited.

** Resigned with effect from the closure of business hours on 31st March, 2014.

Board Meetings and Attendance

Seven Board Meetings were held during the financial year 1st April, 2013 to 31st March, 2014 on: 24th April, 2013, 29th July, 2013, 17th September, 2013, 29th October, 2013, 13th November, 2013, 3rd January, 2014, and 29th January, 2014. The gap between two Meetings did not exceed four months. These Meetings were well attended. The Seventeenth Annual General Meeting (AGM) of the Company was held on 29th July, 2013. The Chairman of the Audit Committee was present at the AGM.

Directors	Number of Board Meetings		Attendance at the last AGM
	Held	Attended	
Mr. A K Nanda	7	7	Yes
Mr. Rajiv Sawhney #	7	7	Yes
Mr. Uday Y Phadke	7	7	Yes
Mr. Vineet Nayyar*	7	3	No
Mr. Cyrus J Guzder	7	6	Yes
Mr. Rohit Khattar	7	5	No
Mr. Sanjeev Aga	7	7	Yes
Mr. Sridar Iyengar	7	5	Yes

* In addition to attending three Board Meetings Mr. Nayyar participated in two Board Meetings through a conference call

Resigned from the services of the Company from the closure of the Business hours on 31st March, 2014.

Board Procedure

A detailed agenda is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director & CEO appraises the Board at every meeting of the overall performance of the Company. A detailed functional report is also placed at Board Meetings.

The Board reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board also reviews major legal issues, minutes of the Board Meetings of Company's unlisted subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary

companies, adoption of financial results, transactions pertaining to purchase or disposal of properties, major accounting provisions and write-offs, corporate restructuring, Minutes of Meetings of the Audit and other Committees of the Board, and information on recruitment of officers just below the Board level, including the Chief Financial Officer, Company Secretary and the Compliance Officer.

Directors seeking Re-Appointment/Appointment

Mr. A K Nanda, Mr. Rohit Khattar and Mr. Sridar Iyengar, Directors, retire by rotation at the forthcoming Annual General Meeting. Mr. Nanda being eligible, has offered himself for re-appointment. Mr. Khattar and Mr. Iyengar being eligible and seeking re-appointment, are proposed to be appointed

as Independent Directors, not liable to retire by rotation for a period of five consecutive years.

Further, Mr. Cyrus J Guzder and Mr. Sanjeev Aga, being Independent Directors, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 are proposed to be appointed as Independent Directors, not liable to retire by rotation, for a term of 5 years from the date of the ensuing Annual General Meeting in terms of the provisions of Section 149 of the Companies Act, 2013.

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

Mr. A K Nanda

Mr. A K Nanda is Non Executive Non Independent Chairman of the Company. He holds a degree in Law from the University of Calcutta and is a fellow member of the Institute of Chartered Accountants of India (FCA) and the Institute of Company Secretaries of India (FCS). He has also participated in a Senior Executive Program at the London Business School.

He joined the Board of holding company in 1992. He resigned as Executive Director in 2010 to focus on the social sector and was immediately reappointed as non-executive director on the Board of holding company. The Founder, Director, and

Chairman of Mahindra Holidays & Resorts India Limited (MHRIL), Mr. Nanda has contributed around 40 years to Mahindra Group in a series of key positions in Compliance, Corporate Governance, Investments, Strategic Planning, Corporate Communications, and identifying new business opportunities.

Mr. Nanda is also on the Board of various other Companies. He is also on the Advisory Boards of Advent India and TechnoServe India, and a Trustee of Integrity Action, U.K., Helpage India, and The Bombay City Policy Research Foundation.

Mr. Nanda is also Chairman of the Confederation of Indian Industry (CII) Western Region, Chairman Emeritus of the Indo-French Chamber of Commerce, member of the governing Boards of the council of EU Chambers of Commerce in India and Bombay First. He was the Chairman of the CII National Committee on Water from April 2007 to March 2009.

Mr. Nanda's outstanding career achievements have been recognized with several awards, including Chevalier de la Legion d'Honneur from President Sarkozy of the French Republic, Real Estate Person of the Year from GIREM Leadership Awards (Triple Tree) in India, Business Achiever Award—Corporate from the Institute of Chartered Accountants of India in 2009, and the 2010 Golden Star Lifetime Achievement Award for his contribution to the Hospitality Industry and the Service Sector.

Mr. A K Nanda is a member of the following Board Committees:

Name of the Company	Names of the Committee	Position held
Mahindra & Mahindra Limited	Share Transfer and Shareholders/Investors Grievance Committee	Chairman
	Corporate Social Responsibility Committee	Member
	Loans and Investment Committee	Member
Mahindra Holidays & Resorts India Limited	Inventory Approval Committee	Chairman
	Loans and Investment Committee	Chairman
	Nomination and Remuneration Committee (earlier known as Remuneration Committee)	Member
	Stakeholders Relationship Committee (earlier known as Share Allotment/Transfer cum Investor Grievance committee)	Chairman
	Corporate Social Responsibility Committee	Chairman
	Strategy and Review Committee	Chairman
Mahindra Construction Company Limited	Remuneration Committee	Member
Mahindra Lifespace Developers Limited	Stakeholder Relationship Committee (earlier known as Investors and Share Holders Grievance Committee)	Chairman
	Loans and Investments Committee	Chairman
	Nomination and Remuneration Committee (earlier known as Remuneration Committee)	Member
	Share Allotment Committee	Member
	Committee for Residential Projects in Joint Venture	Member
	Committee for Large Format Developments	Member
	Corporate Social Responsibility Committee	Member
	Qualified Institutions Placement Committee	Member

Name of the Company	Names of the Committee	Position held
Mahindra Infrastructure Developers Ltd.	Audit Committee	Member
Mahindra World City (Jaipur) Limited	Audit Committee	Member
	Capital Issue committee	Member
	Loans and Investment Committee	Member
	Remuneration Committee	Chairman
Mahindra Holding Limited	Audit Committee	Chairman
	Loans and Investment Committee	Member
Mahindra World City Developers Limited	Remuneration Committee	Member
Mahindra Consulting Engineers Limited	Remuneration Committee	Member
Mumbai Mantra Media Limited	Remuneration Committee	Member

Mr. A K Nanda holds 594,630 Equity Shares in the Company.

Mr. Rohit Khattar

Mr. Rohit Khattar is a Non Executive Independent Director on the Board of the Company. He graduated in 1985 from the School of Hotel, Restaurant and Institutional Management, Michigan State University, U.S.A. He is the founder, Chairman and Managing Director of Old World Hospitality Private Limited which operates performing arts and convention centers such as Habitat World, India Habitat Centre and Epicenter, Gurgaon, hotels and restaurants including those in London. He is also Chairman of Mumbai Mantra Media Limited, a Mahindra group

company. He has over 23 years experience in the hospitality industry.

Mr. Khattar was recently featured amongst 'The Big 10 of the F&B industry' and amongst 'the 99 superstars who changed our lives (across India)' by TimeOut in 2013. He was honored by the 'IFCA Award of Excellence' by the Indian Federation of Culinary Associations in appreciation of his outstanding contribution to the development of the culinary profession and society:

Mr. Rohit Khattar is a Member of the following Board Committees

Name of the Company	Names of the Committee	Position held
Mahindra Holidays & Resorts India Limited	Nomination and Remuneration Committee (earlier known as "Remuneration Committee")	Member
	Audit Committee	Member
	Strategy and Review Committee	Member
Mumbai Mantra Media Limited	Audit Committee	Member

Mr. Rohit Khattar holds 26,700 Equity Shares in the Company.

Mr. Sridar Iyengar

Mr. Sridar Iyengar is a Non Executive Independent Director on the Board of the Company. Mr. Iyengar graduated with B.Com (Hons) from the University of Calcutta and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is associated with Bessemer Venture Partners and a board member of various companies. Mr. Iyengar was the Partner in charge of KPMG's Emerging Business Practice. He has held a number of leadership roles within KPMG's global organisation particularly in setting up and growing new practices. He has the distinction of having worked as a partner in all three of KPMG's regions Europe, America and Asia Pacific as well as KPMG's

disciplines assurance, tax consulting and financial advisory services. Mr. Iyengar served as Chairman and Chief Executive Officer of KPMG's operations in India between 1997 and 2000 and during that period was a member of the Executive Board of KPMG's Asia Pacific practice.

Prior to that, he headed the International Services practice in the West Coast. On his return from India in 2000, he was asked to lead KPMG's effort on delivering audit and advisory services to early stage companies. He served as a member of the Audit Strategy group of KPMG LLP.

Mr. Sridar Iyengar is a Member of the following Board Committees:

Name of the Company	Names of the Committee	Position held
ICICI Venture Funds Management Company Limited	Compensation and Corporate Governance Committee	Member
Dr. Reddy's Laboratories Limited	Audit Committee	Chairman
	Risk Committee	Member
Mahindra Holidays & Resorts India Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee (earlier known as Remuneration Committee)	Member
Rediff.com India Limited	Audit Committee	Chairman
CL Educare Limited	Audit Committee	Chairman
Cleartrip Private Limited	Audit Committee	Chairman
	Compensation Committee	Chairman

Details of Committee Membership in Foreign Companies not included.

Mr. Sridar Iyengar does not hold any Equity Shares in the Company

Mr. Cyrus Guzder

Mr. Cyrus Guzder is a Non-Executive Independent Director on the Board. He has an Honours Degree and a Master's Degree from Trinity College, University of Cambridge. He is the Chairman and Managing Director of AFL Private Limited. He also serves as a Director on the Board of BP (India) Limited, the Great Eastern Shipping Company Limited and The Indian Institute Human Settlements. Mr. Guzder has also served on the boards of Air India Limited, Tata Infomedia Limited, Tata Honeywell Limited and Alfa Laval India Limited.

He has held leadership position of CII's National Council of Civil Aviation and CII's National Committee on Logistics and also served on the Local Advisory Board of Barclays Bank, India and the Board of Governors of Reserve Bank of India's Banking Codes and Standard Board of India. He represents the Republic of Ireland as Honorary Counsel General for Mumbai and Western India.

Mr. Cyrus Guzder is a Member of the following Board Committees:

Name of the Company	Name of the Committee	Position Held
The Great Eastern Shipping Limited	Audit Committee	Member
	Remuneration Committee	Chairman
Mahindra Holidays & Resorts India Limited	Audit Committee	Member
	Nomination and Remuneration Committee (earlier known as Remuneration Committee)	Chairman
	Inventory Approval Committee	Member
	Corporate Social Responsibility Committee	Member
	Strategy and Review Committee	Member

Mr. Cyrus Guzder holds 26,700 Equity Shares in the Company.

Mr. Sanjeev Aga

Mr. Sanjeev Aga is a Non Executive Independent Director on the Board of the Company. Mr. Aga held senior positions in Asian Paints, Chellarams (Nigeria) and Jenson & Nicholson. He had also worked with Blow Plast Mattel Toys in 1990, and in January 1993 was appointed Managing Director of Blow Plast with multi-business responsibility including the flagship VIP Luggage business.

In November 1998, he was appointed CEO of the telecom JV, Birla AT&T. He led the company through a period of fast-paced change, through expansions, mergers and acquisitions to be CEO of Birla Tata AT&T, which was renamed Idea Cellular. In July 2002, Aga left Idea to be with the Aditya Birla Group, where from May 2005 until October 2006, he was Managing Director of Aditya Birla Nuvo, a conglomerate with interests spanning diverse group businesses.

Mr. Aga now engages in advisory and consultant roles for corporates and not-for-profit organizations. Mr. Aga is an Honours graduate in Physics from St. Stephen's College,

Delhi (1971) and a post graduate from the Indian Institute of Management, Kolkata (1973).

Name of the Company	Name of the Committee	Position held (Chairman/ Member)
Idea Cellular Limited	Finance Committee	Member
	Shareholder Grievance Committee	Member
	Securities Allotment Committee	Member
Subex Limited	Audit Committee	Member
	Investor Grievance Committee	Chairman
ING Vysya Bank Limited	Customer Service Committee	Member
	Corporate Service Committee	Member
	Corporate Governance Committee	Member
	IT Strategy Committee	Member
	Audit Committee	Member
	Remuneration Committee	Member
Mahindra Holidays & Resorts India Limited	Strategy and Review Committee	Member

Remuneration to Directors

Remuneration Policy

While deciding on the remuneration for Directors, the Board and the Remuneration Committee consider the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), their experience, past performance and other relevant factors. The Board and the Remuneration Committee regularly tracks the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

Remuneration Paid

The Remuneration paid to Non-Executive Directors including Independent Directors is by way of sitting fees and reimbursement of expenses incurred in attending the Board and Committee

Meetings. The Non-Executive Directors are also eligible for commission of up to 1 per cent per annum of the net profits of the Company. A commission of Rs. 100 lakh has been provided as payable to the eligible Non-Executive Directors in the accounts of the year under review.

The remuneration paid to Managing Director & CEO was fixed by the Remuneration Committee which is subsequently approved by the Board of Directors and Shareholders at a General Meeting.

During the year under review, the Non-Executive Directors were paid a commission of Rs. 90 lakh (provided in the accounts of the year ended 31st March, 2013), distributed amongst themselves as shown in the table below.

Detailed information of Directors' remuneration paid during the year 2013-14:

(Rs. lakh)

Name of Directors	Category	Sitting Fees (Note 1)	Commission	Salary, Performance pay and Perquisites	Superannuation and Provident Fund (Note 2)	Total
Mr. A K Nanda	Non-Executive Chairman	2.00	60.00	Nil	Nil	62.00
Mr. Rajiv Sawhney* (Note 3)	Managing Director & CEO	Nil	Nil	273.91	14.96	288.87
Mr. Uday Y Phadke	Non-Executive	Nil	Nil	Nil	Nil	Nil
Mr. Vineet Nayyar	Non-Executive	Nil	Nil	Nil	Nil	Nil
Mr. Cyrus J Guzder	Independent	2.55	10.00	Nil	Nil	12.55
Mr. Rohit Khattar	Independent	2.10	10.00	Nil	Nil	12.10
Mr. Sridar Iyengar	Independent	2.10	10.00	Nil	Nil	12.10
Mr. Sanjeev Aga	Independent	1.45	Nil	Nil	Nil	1.45

* Resigned from the services of the Company from the closure of the Business hours on 31st March, 2014.

Notes:

1. Non-Executive Chairman and Independent Directors are paid sitting fees of Rs. 20,000 per meeting for attending meetings of Board / Audit Committee and for attending all other Committee Meetings is Rs. 5,000.
2. Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.
3. Salary to Mr. Rajiv Sawhney
 - a. Salary and Allowances of Rs.202.52 lakh
 - b. Perquisites of Rs. 8.00 lakh
 - c. Performance Pay of Rs. 78.35 lakh
4. The Company has not advanced loans to any Director during the year.
5. The nature of employment of the Managing Director & CEO with the Company was contractual and can be terminated by giving 3 months notice from either party. The contract does not provide for any severance fees.

Shares and Convertible Instruments held by Directors

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

Name of Directors	Category	Shares held as on 31 st March, 2014	No. of Options granted in March, 2007* (Note 1)	No. of Options granted in November, 2007* (Note 2)	No. of Options granted in November, 2008* (Note 3)	No. of Options granted in February, 2012 (Note 4)	No. of Options granted in February, 2012 (Note 5)
Mr. A K Nanda	Non-Executive Chairman	594,630**	Nil	9,510	10,500	Nil	Nil
Mr. Rajiv Sawhney#	Managing Director & CEO	Nil	Nil	Nil	Nil	400,000	Nil
Mr. Uday Y Phadke	Non-Executive	17,362	Nil	3,170	3,500	Nil	Nil
Mr. Vineet Nayyar	Non-Executive	26,700	Nil	10,000	Nil	Nil	Nil
Mr. Cyrus J Guzder	Independent	26,700	Nil	Nil	Nil	Nil	Nil
Mr. Rohit Khattar	Independent	26,700	Nil	Nil	Nil	Nil	Nil
Mr. Sridar Iyengar	Independent	Nil	Nil	Nil	Nil	Nil	27,500
Mr. Sanjeev Aga	Independent	Nil	Nil	Nil	Nil	Nil	Nil

*All Options vested have been exercised.

**In addition 102,050 Equity Shares are held by relatives of Mr. A K Nanda.

Resigned with effect from the closure of business hours on 31st March, 2014.

Notes:

	Date of Grant	Vesting Period	Exercise Period	Exercise Price
1	30 th March, 2007	Four equal installments in March 2008, 2009, 2010 and 2011	On the date of vesting or at the end of each year for a period of five years from the date of vesting	Rs. 52/-
2	1 st November, 2007	Four equal installments in November 2008, 2009, 2010 and 2011	On the date of vesting or at the end of each year for a period of five years from the date of vesting	Rs. 52/-
3	1 st November, 2008	Four equal installments in November 2009, 2010, 2011 and 2012	On the date of vesting or at the end of each year for a period of five years from the date of vesting	Rs. 52/-
4	21 st February, 2012	Four equal installments in February 2013, 2014, 2015 and 2016	On the date of vesting or at the end of each year for a period of five years from the date of vesting	Rs. 370/-
5	21 st February, 2012	Four equal installments in February 2013, 2014, 2015 and 2016	On the date of vesting or at the end of each year for a period of five years from the date of vesting	Rs. 323/-

The Options granted in July 2006, March 2007 and November 2007 stand augmented by 5 Bonus options for every 3 existing options on account of 5:3 Bonus Issue made in November 2007.

Committees of the Board

Audit Committee

As on 31st March, 2014, the Committee comprised 4 Directors: Mr. Cyrus J Guzder, Mr. Uday Y Phadke, Mr. Rohit Khattar and Mr. Sridar Iyengar. Mr. Cyrus J Guzder was the Chairman of the Committee till 28th January, 2014 and Mr. Sridar Iyengar became Chairman of the Committee thereafter. Mr. Sridar Iyengar, Mr. Cyrus Guzder and Mr. Rohit Khattar are Independent Directors. All members of the Committee have good knowledge of accounting and financial management. The Company Secretary is the Secretary to the Committee.

The terms of reference of the Committee are in accordance with the requirements of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 (erstwhile Section 292A of the Companies Act, 1956) which became effective on 1st April, 2014. The Audit Committee has been granted powers as prescribed under Clause 49II(C) of the Listing Agreement. Generally, all items listed in Clause 49II(D) are covered in the terms of reference and inter-alia include:

- ◆ Acting as a link between the statutory and the internal auditors and the Board of Directors of the Company;
- ◆ Selecting and establish accounting policies, review reports of the statutory and the internal auditors and meet them to discuss their findings, suggestions and other related matters;
- ◆ Reviewing the remuneration payable to the statutory auditors, their appointment/re-appointment and to recommend a change of auditors, if felt necessary;
- ◆ Reviewing financial statements and investments of unlisted subsidiary companies, Management Discussion & Analysis, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis.

The Committee met six times during the year under review and the gap between two Meetings did not exceed four months. During the financial year 1st April, 2013 to 31st March, 2014, the Committee met on: 24th April, 2013, 15th July, 2013, 29th July, 2013, 17th September, 2013, 29th October, 2013 and 29th January, 2014. The attendance at the Meetings is as under:

Members	Number of Meetings	
	Held	Attended
Mr. Cyrus J Guzder	6	6
Mr. Uday Y Phadke	6	6
Mr. Sridar Iyengar	6	6
Mr. Rohit Khattar	6	5

Invitees to the Meetings of the Audit Committee include Chairman of the Board, Managing Director & CEO, Statutory Auditors, Chief Financial Officer, Chief Internal Auditor & Head

– Corporate Management Services of Mahindra & Mahindra Limited, the holding company, Internal Auditors and Resident Internal Auditor.

Stakeholders Relationship Committee (earlier known as Share Allotment/Transfer – cum – Investor Grievances Committee)

In view of the provisions of Companies Act, 2013, it requires the Company to constitute a "Stakeholders Relationship Committee". The Board of Director by way of Circular Resolution dated 27th March, 2014 had changed the nomenclature of "Share Allotment/Transfer – cum – Investor Grievances Committee" to "Stakeholders Relationship Committee".

Mr. Rajiv Sawhney, Managing Directors & CEO resigned from the services of the Company with effect from closure of business hours on 31st March, 2014. Currently, the Company's Stakeholders Relationship Committee functions under the Chairmanship of Mr. A K Nanda, Chairman of the Board and a Non-Executive Director. Mr. Uday Y Phadke is the other member of the Committee. Mr. Dinesh Shetty, Company Secretary, is the Compliance Officer of the Company.

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

The Committee met four times during the year 1st April, 2013 to 31st March, 2014 on 24th April, 2013, 29th July, 2013, 29th October, 2013 and 29th January, 2014. The attendance at the Meetings is as under:

Members	Number of Meetings	
	Held	Attended
Mr. A K Nanda	4	4
Mr. Uday Y Phadke	4	4
Mr. Rajiv Sawhney	4	4

During the year, 10 complaints were received from the Shareholders, all of which have been attended to/resolved. As of 31st March, 2014, there are no pending share transfers or complaints from the shareholders.

Nomination and Remuneration Committee (earlier known as Remuneration Committee)

In view of the provisions of Companies Act, 2013, it requires the Company to constitute "Nomination and Remuneration Committee". The Board of Directors by way of Circular Resolution dated 27th March, 2014 changed the nomenclature of "Remuneration Committee" to "Nomination and Remuneration Committee". The Board also, vide the same resolution, amended the Terms of Reference of the Committee in line with the provisions of Companies Act, 2013.

The role of the Nomination and Remuneration Committee is to review market practices and to decide on remuneration

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

The Committee has formulated the Mahindra Holidays & Resorts India Limited Employees' Stock Option Scheme (MHRIL ESOS) which is administered and implemented by Mahindra Holidays & Resorts India Limited Employees Stock Option Trust in accordance with the directions of the Committee and in terms of the Deed of Trust. The Committee also attends to such other matters as may be prescribed from time to time.

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

The Committee met twice during the year 1st April, 2013 to 31st March, 2014 on: 29th July, 2013 and 29th January, 2014. The attendance at the Meetings is as under:

Members	Number of Meetings	
	Held	Attended
Mr. A K Nanda	2	2
Mr. Vineet Nayyar	2	1
Mr. Cyrus J Guzder	2	2
Mr. Rohit Khattar	2	2
Mr. Sridar Iyengar	2	2

Loans & Investment Committee

The Loans & Investment Committee approves the loans, investment, subscription/acquisition, sale/transfer and all related aspects of these transactions. The Committee consists of Mr. A K Nanda, Chairman and Mr. Rajiv Sawhney, Managing Director & CEO as the members (resigned from the closure of business hour on 31st March, 2014). There were no meetings of the Committee during 2013-14.

IPP Issue Committee

The IPP Committee formed to oversee all activities and matters pertaining to Issue of equity Shares by the Company through an Institutional Placement Programme (IPP) under SEBI Regulations. Mr. A K Nanda is the Chairman of the Committee and Mr. Rajiv Sawhney (resigned from the closure of business hour on 31st March, 2014), Mr. Uday Y Phadke and Mr. Cyrus J Guzder are other Members of the Committee. The Committee met three times during the year 1st April, 2013 to 31st March,

2014 on: 6th April, 2013, 10th April, 2013 and 12th April, 2013. The attendance of the Meeting is as under:

Members	Number of Meetings	
	Held	Attended
Mr. A K Nanda	3	3
Mr. Rajiv Sawhney	3	2
Mr. Uday Y Phadke	3	3
Mr. Cyrus J Guzder	3	Nil

Since, the purpose of the IPP Issue Committee was completed, the Board dissolved the IPP Issue Committee with effect from 6th May, 2014.

Inventory Approval Committee

Inventory Approval Committee was constituted by the Board for evaluating and approving property acquisition by way of outright purchase as well as long term lease proposals of the Company. Mr. A K Nanda, Mr. Rajiv Sawhney (resigned from the closure of business hours on 31st March, 2014) and Mr. Cyrus J Guzder are the members of the Committee. The Committee met once during the year 1st April, 2013 to 31st March, 2014 on: 29th January, 2014. All the Members attended the Meeting.

Strategy and Review Committee:

During the year under review, the Board of Directors at their meeting held on 13th November, 2013 constituted "Strategy and Review Committee" of the Board, to evaluate and review the business plan and make necessary recommendations and also review the performance of the Company. Mr. A K Nanda, is the Chairman and Mr. Rajiv Sawhney, Managing Director & CEO (resigned with effect from the closure of the business hour on 31st March, 2014), Mr. Cyrus J Guzder, Mr. Rohit Khattar and Mr. Sanjeev Aga are the other members of the Committee.

Committee met once during the year 1st April, 2013 to 31st March, 2014 on: 19th December, 2013. Except Mr. Cyrus J Guzder all the other members attended the Meeting.

Corporate Social Responsibility Committee:

During the year under review, the Board of Directors vide Circular Resolution dated 27th March, 2014 constituted Corporate Social Responsibility Committee as required under the provisions of Companies Act, 2013 ("2013 Act"), to inter alia overview the CSR activities of the Company. Mr. A K Nanda, is the Chairman and Mr. Uday Y Phadke and Mr. Cyrus J Guzder are the other members of the Committee. The brief terms of reference of the Committee are as follows:

1. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the 2013 Act;
2. recommend the amount of expenditure to be incurred on the activities referred to in clause and

3. monitor the Corporate Social Responsibility Policy of the company from time to time.

Committee met once during the year 1st April, 2013 to 31st March, 2014 on: 28th March, 2014. Except Mr. Cyrus J Guzder all other Directors attended the Meeting.

Disclosures

Code of Conduct

The Board has laid down two separate Codes of Conduct ("Codes"), one for Board Members and other for Senior Management and Employees of the Company. These Codes have been posted on the Company's website www.clubmahindra.com. All Board Members and Senior Management personnel of the Company have affirmed compliance with these Codes. In view of vacation of office of Managing Director consequent upon resignation of Mr. Rajiv Sawhney, the Certificate is being signed by the Chairman and the same is attached at the end of this report.

CEO/CFO Certification

Upon resignation of Mr. Rajiv Sawhney with effect from the closure of business hours on 31st March, 2014, the office of the Managing Director is vacated. The Company is in the process of finding a suitable candidate for the aforementioned Office. In view of vacation of the office, the Chief Financial Officer has certified to the Board regarding the financial statements, and matters related to internal controls in the prescribed format for the year ended 31st March, 2014, as required under Clause 49 V of the Listing Agreement with the Stock Exchanges.

Risk Management

Your Company has a well-defined risk management framework in place which is reviewed periodically. This has been discussed in greater detail in the Management Discussion and Analysis Chapter of this Annual Report.

Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20 per cent of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any material non-listed Indian subsidiary during the year under review. The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. The minutes of Board Meetings of subsidiaries of the Company are placed before the Board of Directors of the Company.

Related Party Transactions

During the financial year 2013-14, there were no materially

significant transactions entered into between the Company and its Promoters, Directors or the management, holding company, subsidiaries or relatives that may have potential conflict with the interests of the Company at large except the agreement executed between the Company and A K Nanda HUF (through Mr A K Nanda as its Karta) and their relatives for the arrangement of services, consequent to approval received from Central Government. Further, details of related party transactions form part of notes to the accounts of the Annual Report.

Accounting Treatment in Preparation of Financial Statements

The Company has followed the Accounting Standards laid down by The Institute of Chartered Accountants of India and The Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements and the generally accepted accounting principles in India.

Details of Non-compliance Relating to Capital Markets

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

Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its Designated Employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, through which it advises the designated employees on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautions them of the consequences of violations.

Proceeds from Public Issues

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

During the year under review, the Company has completed the utilisation of entire fund raised from the IPO towards the objects of the issue, as amended.

Details of Unclaimed Shares

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

The Company has 9 shareholders with 370 outstanding shares in the suspense account lying at the year ended 31st March, 2014. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The details as required to be disclosed in the Annual Report are given below:

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e.1 st April, 2013	9	370
Number of shareholders who approached Issuer / Registrar and Share Transfer Agent for transfer of shares from suspense account during the year 2013-14	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e 31 st March, 2014	9	370

Management Discussion and Analysis Report

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

Compliance with Clause 49

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

As regards the non-mandatory requirements, the Company has set up the Nomination and Remuneration Committee of the Board of Directors, the details of which have been provided under the section "Committees of the Board". During the year under review, there is no audit qualification in the

Company's financial statements. The Company continues to adopt best practices to ensure that its financial statements remained unqualified. The Company has not adopted any other non-mandatory requirement specified in Annexure 1D of the Clause 49.

General Shareholder Information

Eighteenth Annual General Meeting

Date	: 27 th August, 2014 (Wednesday)
Time	: 3.00 PM
Venue	: Vani Mahal, Main Hall, T.Nagar, Chennai - 600 017.

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

Year	Date	Time	Venue	Special Resolutions Passed
2011	25 th July, 2011	3.00 PM	Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13 th Avenue, Harrington Road, Chetpet, Chennai – 600 031.	1. Remuneration to Managing Director & CEO. 2. Remuneration by way of Commission to Non-Executive Directors.
2012	25 th July, 2012	3.00 PM	Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13 th Avenue, Harrington Road, Chetpet, Chennai – 600 031.	Amendment of Articles of Association of the Company.
2013	29 th July, 2013	3.00 PM	Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13 th Avenue, Harrington Road, Chetpet, Chennai – 600 031.	No Special Resolution was passed.

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

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

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

No Extra Ordinary General Meetings was held during 2011-12 and 2013-14.

No Special Resolution was passed through Postal Ballot during 2011-12, 2012-13 and 2013-14.

Dates of Book Closure/Record Date

Dates of book closure for dividend will be from 18th August, 2014 to 27th August, 2014 both days inclusive.

Dividend Payment Date

The dividend, if declared at the Annual General Meeting will be paid between 28th August, 2014 and 4th September, 2014.

Financial Year

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

Financial Reporting for 2014 – 15

The First Quarter Results – 30 th June, 2014	By end of July, 2014
The Half Yearly Results – 30 th September, 2014	By end of October, 2014
Third Quarter Results – 31 st December, 2014	By end of January, 2015
Approval of Annual Accounts – 31 st March, 2015	By end of April, 2015

Note: The above dates are indicative.

Means of Communication

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

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

Listing on Stock Exchanges

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

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

BSE 533088

NSE MHRIL

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

ISIN: INE998I01010

Stock Performance

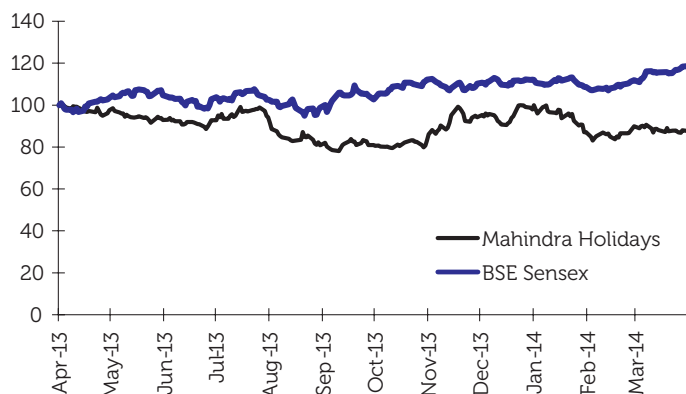
BSE and NSE – Monthly High / Low and Volumes

	National Stock Exchange			BSE		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly Volume
April, 2013	269.90	249.05	359,873	280.00	250.00	286,833
May, 2013	266.00	241.35	506,422	264.45	240.75	85,925
June, 2013	251.90	230.00	917,871	252.95	227.40	216,084
July, 2013	297.00	241.15	1,163,735	265.80	242.25	1,413,074
August, 2013	256.90	213.00	635,293	254.30	212.60	163,284
September, 2013	226.70	205.10	6,00,505	234.00	206.00	71,859
October, 2013	227.80	210.15	2,056,865	226.00	210.15	136,721
November, 2013	273.50	219.85	832,116	273.20	221.00	176,674
December, 2013	271.35	236.00	588,416	270.50	236.00	175,579
January, 2014	273.00	229.90	1,019,451	274.35	230.00	297,285
February, 2014	244.00	218.00	269,204	244.00	219.00	43,194
March, 2014	243.90	228.45	783,037	245.00	222.20	545,609

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

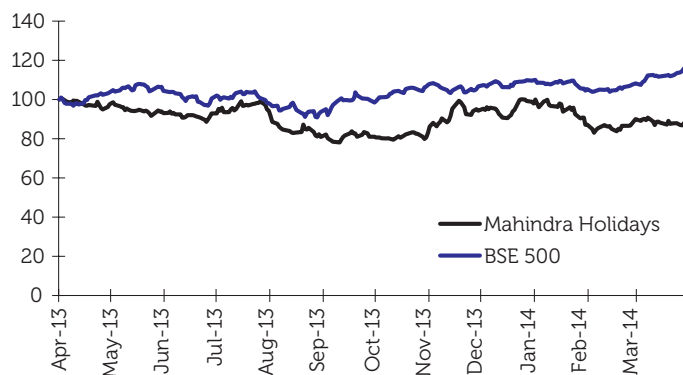
Month	MHRIL's Closing Price on NSE on the last trading day of month (Rs.)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month
April, 2013	258.65	19,504.18	5,930.20	7,385.25
May, 2013	247.45	19,760.30	5,985.95	7,441.89
June, 2013	245.50	19,395.81	5,842.20	7,164.06
July, 2013	250.05	19,345.70	5,742.00	6,985.56
August, 2013	215.10	18,619.72	5,471.80	6,673.96
September, 2013	214.50	19,379.77	5,735.30	7,019.96
October, 2013	219.50	21,164.52	6,299.15	7,656.62
November, 2013	250.35	20,791.93	6,176.10	7,598.21
December, 2013	259.55	21,170.68	6,304.00	7,828.34
January, 2014	230.20	20,513.85	6,089.50	7,499.02
February, 2014	238.25	21,120.12	6,276.95	7,709.75
March, 2014	233.65	22,368.27	6,704.20	8,295.26

Mahindra Holidays' Share Performance versus BSE Sensex



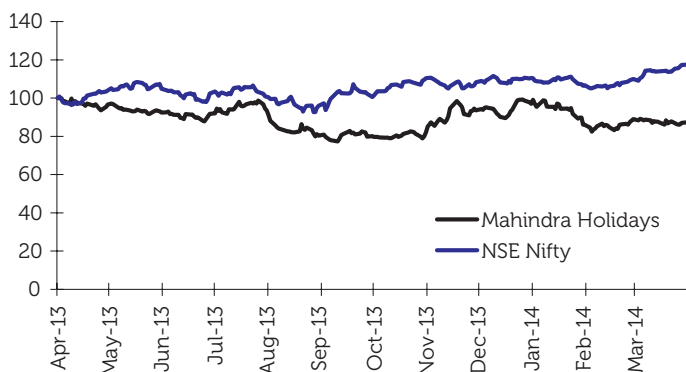
Note: Share price of Mahindra Holidays and BSE Sensex have been indexed to 100 on 1st April, 2013

Mahindra Holidays' Share Performance versus BSE 500



Note: Share price of Mahindra Holidays and BSE 500 have been indexed to 100 on 1st April, 2013

Mahindra Holidays' Share Performance versus NSE NIFTY



Note: Share price of Mahindra Holidays and NSE NIFTY have been indexed to 100 on 1st April 2013

Share Transfer System

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

The Stakeholders Relationship Committee (earlier known as Share Allotment/Transfer-cum-Investors Grievance Committee) meets as and when required to consider the other transfer proposals and attend to Shareholders' grievances. As of 31st March, 2014, there are no pending share transfers pertaining to the year under review.

Distribution of Shareholding as on 31st March, 2014

Number of Shares	Number of Shareholders	Percentage of Shareholders	Total Number of Shares	Percentage of Shareholding
1 - 100	10,775	75.54	4,17,041	0.47
101 - 500	2,466	17.29	5,96,397	0.67
501 - 1000	454	3.18	3,55,851	0.40
1001 - 5000	413	2.89	9,40,052	1.06
5001 - 10000	54	0.38	3,93,305	0.44
10001 - 50000	65	0.46	16,04,843	1.81
50001 - 100000	10	0.07	7,65,821	0.86
100001 and above	27	0.19	8,37,07,546	94.29
TOTAL	14,264	100.00	8,87,80,856	100.00

Shareholding Pattern as on 31st March, 2014

Category of Shareholders	Total Holdings	Holdings in Percentage
Promoters holdings	66,585,642	75.00
Mutual Funds	1,416,346	1.60
Banks, Financial Institutions & others	46,527	0.05
Foreign Institutional Investors	10,711,451	12.07
Bodies Corporate	2,871,078	3.23
NRIs/OCBs/Foreign Nationals	970,051	1.09
Indian Public	6,179,761	6.96
Total	88,780,856	100.00

Dematerialisation of Shares

As on 31st March, 2014, 99.98 per cent of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share, as trading in the Equity Shares of the Company on exchanges is permitted only in dematerialised form. Non-Promoters' holding is 25 per cent.

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

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

Offices of the Company

Registered Office:

Mahindra Towers, 2nd Floor,
No.17/18, Patullos Road,
Chennai – 600 002.
Tel: 044 - 3988 1000
Fax: 044 - 3027 7778

Corporate Office:

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

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

Declaration on Codes of Conduct

To

The Members of Mahindra Holidays & Resorts India Limited

I, A. K. Nanda, Chairman of Mahindra Holidays & Resorts India Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Mumbai, 6th May, 2014

A. K. Nanda
Chairman

Registrar and Share Transfer Agents

M/s. Karvy Computershare Private Limited
Unit: Mahindra Holidays & Resorts India Limited
Plot No.17-24,
Vittalrao Nagar, Madhapur,
Hyderabad – 500 081,
Andhra Pradesh, India.
Tele no: 040 - 44655000
Fax No.: 040 - 23431551
E-mail: einward.ris@karvy.com

Address for Correspondence

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

Company Secretary & Compliance Officer

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

Company's Investor E-mail ID

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

Company's website

www.clubmahindra.com

CERTIFICATE

To

The Members of Mahindra Holidays & Resorts India Limited

We, Deloitte Haskins & Sells, statutory auditors of **Mahindra Holidays & Resorts India Limited** ("the Company") have examined the compliance of Conditions of Corporate Governance by the Company for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Chennai
Date : June 3, 2014

B. Ramaratnam
Partner
(Membership No. 21209)

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

Report on the Financial Statements

We have audited the accompanying financial statements of MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

B. Ramaratnam
Partner

(Membership No. 21209)

Mumbai, May 6, 2014

Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report to the members of Mahindra Holidays & Resorts India Limited on the accounts for the year ended March 31, 2014

- (i) Having regard to the nature of Company's business / activities / result during the year, clauses, (vi), (xii), (xiii), (xiv), (xvi) and (xix) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/ from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) According to the information and explanations given to us and to the best of our knowledge and belief there are no contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size and the nature of its business.
- (viii) In our opinion and according to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's services.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund,

Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs.)
Income Tax Act	Income Tax	Commissioner of Income Tax – Appeals	2009-10 & 2010-11	1,304,317,880
Finance Act	Service Tax	Central Excise & Service Tax Appellate Tribunal	2005 to 2011	607,217,070
		Commissioner (Appeals)	2011-12	1,053,030

- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to the banks. The Company has neither borrowed funds from the Financial Institution nor issued any debentures.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xiv) During the year the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xv) The Management has disclosed the end use of money raised by public issues in the notes to the financial statements and we have verified the same.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

B. Ramaratnam
Partner
(Membership No. 21209)

Mumbai, May 6, 2014

BALANCE SHEET AS AT MARCH 31, 2014

In ₹

Particulars	Note	As At March 31, 2014	As At March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
Share Capital	3	880,241,730	838,808,840
Reserves and Surplus	4	7,017,906,333	5,504,348,616
		7,898,148,063	6,343,157,456
Non-Current liabilities			
Deferred tax liabilities (net)	5	589,831,266	411,977,286
Deferred Income - Advance towards members facilities (See note 2 (vi) (a))		13,930,730,395	12,531,050,078
Other long term liabilities	6	71,077,452	54,022,941
Long term provisions	7	40,942,408	40,700,289
		14,632,581,521	13,037,750,594
Current liabilities			
Short term Borrowings	8	29,135,656	19,499,418
Trade payables	9	921,608,234	774,218,674
Deferred Income - Advance towards members facilities (See note 2 (vi) (a))		751,102,920	600,741,180
Other current liabilities	10	1,461,693,946	1,248,682,708
Short term provisions	11	417,244,359	419,213,009
		3,580,785,115	3,062,354,989
		26,111,514,699	22,443,263,039
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	12	6,669,436,338	4,488,378,043
Intangible assets		226,273,994	33,240,771
Capital work in progress	42	636,433,993	2,314,208,454
Intangible assets under development		45,531,430	212,034,682
		7,577,675,755	7,047,861,950
Non-current investments	13	1,460,749,621	1,756,886,093
Long term loans and advances	14	1,771,176,688	1,512,398,986
Other Non-Current Assets	15	3,844,171,488	3,296,266,068
		7,076,097,797	6,565,551,147
Current assets			
Current investments	16	126,646,207	102,240,551
Inventories	17	95,900,702	63,795,957
Trade receivables	18	8,434,161,810	6,259,833,216
Cash and cash equivalents	19	386,790,271	338,439,896
Short term loans and advances	20	2,211,639,326	1,974,968,792
Other current assets	21	202,602,831	90,571,530
		11,457,741,147	8,829,849,942
		26,111,514,699	22,443,263,039
See accompanying notes forming part of the financial statements			

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

B. RAMARATNAM
Partner

Place: Mumbai
Date: May 6, 2014

For and on behalf of the Board of Directors

A.K. NANDA
Chairman

S. KRISHNAN
Chief Financial Officer

Place: Mumbai
Date: May 6, 2014

CYRUS J. GUZDER
Director

DINESH SHETTY
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
REVENUE :			
Revenue from operations	22	7,775,195,726	7,015,484,752
Other Income	23	214,103,801	143,910,069
Total Revenue		7,989,299,527	7,159,394,821
EXPENDITURE :			
Employee benefits expense	24	1,741,628,832	1,495,243,973
Finance Costs	25	9,684,184	16,000,114
Depreciation and amortisation expense	12	380,269,427	211,907,063
Other expenses	26	4,443,516,435	3,847,722,020
Total Expenditure		6,575,098,878	5,570,873,170
Profit before tax		1,414,200,649	1,588,521,651
Less : Tax expense			
- Current tax		291,000,000	473,100,000
- Deferred tax		177,853,979	45,644,700
Profit for the year		945,346,670	1,069,776,951
Earnings per share:			
Basic		10.76	12.76
Diluted		10.75	12.75
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants**B. RAMARATNAM**
PartnerPlace: Mumbai
Date: May 6, 2014

For and on behalf of the Board of Directors

A.K. NANDA
Chairman**S. KRISHNAN**
Chief Financial OfficerPlace: Mumbai
Date: May 6, 2014**CYRUS J. GUZDER**
Director**DINESH SHETTY**
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

In ₹

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	1,414,200,649	1,588,521,651
Adjustments :		
Depreciation and amortisation expense	380,269,427	211,907,063
Finance costs	9,684,184	16,000,114
Interest income	(161,585,419)	(91,954,180)
Dividend income	(37,411,294)	(51,955,889)
Gain on sale of investment in subsidiaries	(15,107,088)	-
Loss/(Gain) on fixed assets sold/scrapped (net)	3,305,618	3,924,498
Bad debt expenses	1,886,810	-
Provision for doubtful debts	7,942,068	385,452
	188,984,306	88,307,058
Operating profit before working capital changes	1,603,184,955	1,676,828,709
Changes in :		
Deferred income - Advance towards members' facilities	1,550,042,057	1,901,442,314
Trade and other receivables	(2,743,669,121)	(999,062,608)
Inventories	(32,104,745)	(27,091,847)
Trade and other payables	345,075,715	72,650,371
	(880,656,094)	947,938,230
Income taxes paid	(404,794,467)	(495,920,679)
NET CASH FROM OPERATING ACTIVITIES	317,734,394	2,128,846,260
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including capital work in progress and expenditure pending allocation	(923,316,274)	(1,030,671,198)
Proceeds from sale of fixed assets	2,482,852	2,255,883
Investments in subsidiaries and joint venture	(16,809,707)	(933,665,265)
Proceeds from sale of investments in subsidiaries	328,053,267	-
Bank balances not considered as part of Cash and cash equivalents	(142,644)	-
Advances to subsidiaries and joint ventures	(335,947,774)	(737,654,884)
Interest received	19,630,087	7,800,623
Dividend income	37,411,294	51,955,889
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(888,638,899)	(2,639,978,952)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayments of borrowings	9,636,238	11,578,228
Dividends paid	(355,057,356)	(338,559,088)
Dividend distribution tax paid	(60,353,226)	(54,922,748)
Proceeds from issue of equity shares through IPP	1,055,976,420	-
Loan recovered from ESOP Trust	3,000,000	4,000,000
Finance costs	(9,684,184)	(16,000,114)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	643,517,892	(393,903,722)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	72,613,387	(905,036,414)
CASH AND CASH EQUIVALENTS :		
Opening balance	437,437,779	1,342,474,193
Closing balance	510,051,166	437,437,779
	72,613,387	(905,036,414)

In ₹

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Reconciliation between Cash and Cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet	386,790,271	338,439,896
Less: Bank balances not considered as Cash and cash equivalents	3,385,312	3,242,668
Net Cash and cash equivalents	383,404,959	335,197,228
Add: Current investments considered as part of Cash and cash equivalents (Investment in units of Mutual Funds)	126,646,207	102,240,551
Cash and cash equivalents at the end of the year	510,051,166	437,437,779
See accompanying notes forming part of the financial statements		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B. RAMARATNAM
Partner

Place: Mumbai
Date: May 6, 2014

For and on behalf of the Board of Directors

A.K. NANDA
Chairman

CYRUS J. GUZDER
Director

S. KRISHNAN
Chief Financial Officer

DINESH SHETTY
Company Secretary

Place: Mumbai
Date: May 6, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1 Corporate Information

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

2 Significant Accounting Policies

(i) Basis for preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of 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 13th 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.

Use of estimates:

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

(ii) Fixed assets:

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

Depreciation is calculated on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for the following categories of assets:

- Leasehold land and buildings are amortised over the period of lease.
- Floating cottages grouped under buildings are depreciated over the useful life of 25 years.

- Furniture and Fixtures in 'Club Mahindra Holiday World' are amortised over a period of 36 months from the date of capitalisation.
- Motor vehicles provided to employees are depreciated over a period of 48 months. Other assets provided to employees are depreciated over a period of 60 months.
- Intangible assets representing 'vacation ownership' is amortised over a period of 10 years.
- Expenditure incurred towards software is amortised over a period of 36 months.
- Expenditure on product design and development & web portal is amortised over the estimated useful life of the asset i.e. 3 / 4 years.
- Non- compete fee is amortised over a period of 5 years.
- Assets individually costing less than ₹ 5000/- each are fully depreciated in the year of capitalisation. The estimated useful life of the intangible asset and the amortisation period are reviewed at the end of the each financial year and the amortisation method is revised to reflect the changed pattern.

(iii) Expenditure during construction period:

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

(iv) Inventories:

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

(v) 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.

(vi) Revenue recognition:

- The company's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on a deferred payment basis. Admission fee, which is non-refundable, is recognised as income on admission of a member. Entitlement fee (disclosed under Advance towards Members facilities), which entitles the vacation ownership member for

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

the vacation ownership facilities over the membership usage period, is recognized as income equally over the usage period. Requests for cancellation of membership is accounted for when it is accepted by the Company. In respect of instalments considered doubtful of recovery by the management, the same is treated as a cancellation and accounted for accordingly.

- (b) Annual subscription fee dues from members are recognised as income on an accrual basis.
- (c) Interest on instalment sales is recognised as income on an accrual basis.
- (d) Income from resorts includes income from room rentals, food and beverages, etc. and is recognised when services are rendered.
- (e) Securitised assets are derecognised as the contractual rights therein are transferred to the third party. On being derecognised, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation.
- (f) Income from travel services includes commission on tickets/hotel booking, service charges from customers, etc. and is recognised when services are rendered.
- (g) Income from home stays is recognised when services are rendered.
- (h) Interest income from loans is accounted on time proportion basis and dividend income from mutual funds is accounted as and when right to receive is established.

(vii) Foreign currency transactions and translations:

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

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

(viii) Employee benefits:

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

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

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

(b) Long term employee benefit plans

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

Defined Contribution Plan

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

Defined Benefit Plan

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

(ix) Taxes on income:

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date.

(x) Share issue expenses:

Expenses incurred in connection with issue of share capital are adjusted against securities premium account.

(xi) Borrowing Cost:

Borrowing cost that are attributable to the acquisition, construction or production of

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

(xii) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists the recoverable amount of such asset is estimated and impairment is recognised, if the carrying amount of these assets exceed their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present values based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in the case of re-valued asset.

(xiii) 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.

(xiv) Cash flow statements:

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

(xv) Provision & contingencies:

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

(xvi) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax

(including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xvii) Leases:

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

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

(xviii) Insurance claims:

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

(xix) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no reasonable certainty in availing / utilising the credits.

(xx) Operating cycle:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 3 : Share Capital

In ₹

	As At March 31, 2014	As At March 31, 2013
Authorised : 100,000,000 equity shares of ₹ 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	1,000,000,000	1,000,000,000
Issued Subscribed & Paid up :		
Equity : (Net of shares issued to ESOP Trust but not allotted to employees)		
84,639,772 (previous year 84,639,772) equity shares of ₹ 10 each fully paid (of the above 66,585,642 (previous year 66,585,642) equity shares are held by the holding company, Mahindra & Mahindra Limited)	846,397,720	846,397,720
Add: 4,141,084 (previous year NIL) shares issued during the year through Institutional Placement Programme (Note 39)	41,410,840	-
Less: 756,683 (previous year 758,888) equity shares of ₹ 10 each fully paid up issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust but not exercised by employees.	7,566,830	7,588,880
	<u>880,241,730</u>	<u>838,808,840</u>

Notes:

- 3 a) The above includes 48,995,228 equity shares allotted as fully paid-up by way of Bonus shares by capitalisation of balance in Statement of Profit & Loss and General Reserve on November 24, 2007 in the ratio of 5 equity shares for every 3 shares held.
- 3 b) Terms / rights attached to equity shares:
- The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.
 - The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
 - For the year ended March 31, 2014, the amount of dividend proposed to be distributed to equity shareholders is ₹ 355,123,424 at ₹ 4 per share (Previous year ₹ 355,123,424 at ₹ 4 per share).
 - Repayment of capital will be in proportion to the number of equity shares held.
- 3 c) Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held.

Name of share holder	No of shares	% held as at 31-Mar-14	No of shares	% held as at 31-Mar-13
Mahindra & Mahindra Limited (Holding Company)	66,585,642	75.00%	66,585,642	78.67%

- 3 d) The reconciliation of the number of shares outstanding as at March 31, 2014 and March 31, 2013 is set out below:-

Particulars	As at 31-Mar-14 (Shares)	(In ₹)	As at 31-Mar-13 (Shares)	(In ₹)
No of Shares at the beginning	83,880,884	838,808,840	83,845,604	838,456,040
Add: Shares issued - pursuant to an Institutional Placement Programme (IPP)	4,141,084	41,410,840	-	-
Add: Shares issued on exercise of employee stock options	2,205	22,050	35,280	352,800
Number of shares at the end	<u>88,024,173</u>	<u>880,241,730</u>	<u>83,880,884</u>	<u>838,808,840</u>

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- i) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	Equity settled option plan administered through Employee Stock Option Trust.							
Method of Settlement	By issue of shares at Exercise Price.							
Grant	Grant I	Grant II	Grant III	Grant V **	Grant VI #	Grant VII ##	Grant VIII **	Grant IX **
Date of Grant	15/07/2006	30/03/2007	1/11/2007	1/11/2008	21/02/2012	21/02/2012	21/02/2013	29/01/2014
Exercise Price (In Rs.)	16.00	52.00	52.00	52.00	370.00	323.00	323.00	253.00
Average Exercise Price(after bonus issue) (In Rs.)	6.00	19.50	19.50	52.00	-	-	-	-
Vesting Period in Years	5	4	4	4	4	4	4	4
Number of Options Granted	759,325	122,235	56,700	261,590	400,000	186,500	130,000	35,000
Contractual life	6 years from the date of grant.	5 years from the date of each vesting.						
Vesting Conditions	Refer note (a) below	25% each on expiry of 12, 24, 36 and 48 months from the date of grant.						
No. of options exercisable in each tranche	Minimum of 25 and a maximum of all options vested till that date.							

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

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

Particulars	Grant I (15/07/2006)	Grant II (30/03/2007)	Grant III (1/11/2007)	Grant V ** (1/11/2008)	Grant VI # (21/02/2012)	Grant VII ## (21/02/2012)	Grant VIII ** (21/02/2013)	Grant IX ** (29/01/2014)	Total
Options outstanding as on 1.4.2013	-	5,265	4,253	23,751	400,000	186,500	130,000	-	749,769
Options granted	-	-	-	-	-	-	-	35,000	35,000
Options vested during the year	-	-	-	-	100,000	20,375	32,500	-	152,875
Options exercised during the year	-	-	-	2,205	-	-	-	-	2,205
Options lapsed during the year	-	1,530	19	630	200,000	78,750	-	-	280,929
Options outstanding as on 31.03.2014	-	3,735	4,234	20,916	200,000	107,750	130,000	35,000	501,635
Options vested but not exercised	-	3,735	4,234	20,916	200,000	67,000	32,500	-	328,385

** Issued out of lapsed options.

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

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

- iii) In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the shares allotted to the trust including bonus shares but not exercised by the employees have been reduced from the share capital by ₹ 7,566,830 and securities premium account reduced by ₹ 145,499,758. The said shares will be added to the issued share capital as and when the trust issues the shares to the concerned persons on their exercising the option and till such shares are issued the amount received from the trust is disclosed under current liabilities.
- iv) The company has adopted the intrinsic value method in accounting for employee cost on account of ESOS for grant I to III and V. For grant VI, VII, VIII & IX fair value method adopted. The intrinsic value of the shares granted under grant I to V based on the valuations obtained from an independent valuer is ₹ 16 per equity share as on 31st March, 2006, ₹ 52 per equity share as on 1st January, 2007, 31st August, 2008 and 1st November, 2008, based on the Discounted

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Cash Flow Method. The fair value of the shares granted under grant VI, VII, VIII & IX is based on the fair value market price is ₹ 370, ₹ 323, ₹ 323 and ₹ 253 per share respectively. As the difference between the intrinsic value/fair value and the exercise price per share is ₹ Nil no employee compensation cost has been charged.

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

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

Had the company adopted the fair value method in respect of options granted, the total amount that would have been amortised over the vesting period is ₹ 10,383,964 and the impact on the financial statements would be :

(in ₹)

	Years ended	
	Mar 31, 2014	Mar 31, 2013
Increase in employee compensation cost	1,026,858	2,076,793
Decrease in profit after tax	1,026,858	2,076,793
Decrease in basic & diluted earnings per share	(0.01)	(0.02)

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

Particulars	Grant dated 15 th July, 2006	Grant dated 30 th March, 2007	Grant dated 1 st November, 2007	Grant dated 1 st November, 2008	Grants dated 21 st February, 2012	Grants dated 21 st February, 2013	Grants dated 29 th January, 2014
Risk free interest rate	7.82%	7.92%	7.72%	7.34%	8.00%	7.78%	8.81%
Expected life	4.5	5	5	5	6	3.5	3.5
Expected volatility	Nil	Nil	Nil	Nil	0.33	0.31	0.29
Expected dividend yield	Nil	Nil	Nil	Nil	₹ 4.00	1.38%	1.66%

Note 4 : Reserves & Surplus

In ₹

	As at March 31, 2014	As at March 31, 2013
Capital Reserve	1,474,577	1,474,577
General Reserve		
As per last balance sheet	594,642,245	487,749,290
Add : Transfer from Statement of Profit and Loss Account	94,534,667	106,977,695
Less : Bonus shares issued on exercise of stock options	-	84,740
	689,176,912	594,642,245
Securities Premium Account		
As per last balance sheet	1,720,261,044	1,577,361,044
Premium on shares issued during the year through Institutional Placement Programme	1,014,565,580	-
Premium on shares issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	-	142,900,000
	2,734,826,624	1,720,261,044
Less: Share issue expenses on account of Institutional Placement Programme	30,877,883	-
Less: Premium on shares issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust but not allotted to employees	145,499,758	145,499,758
	2,558,448,983	1,574,761,286
Surplus in Statement of Profit & Loss		
As per last balance sheet	3,333,470,508	2,786,147,902
Profit for the Current Year	945,346,670	1,069,776,951
	4,278,817,178	3,855,924,853

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	As at March 31, 2014	As at March 31, 2013
Appropriations :		
Transfer to General Reserve	94,534,667	106,977,695
Proposed Dividend	355,123,424	355,123,424
Tax on Proposed Dividend	60,353,226	60,353,226
	510,011,317	522,454,345
	3,768,805,861	3,333,470,508
	7,017,906,333	5,504,348,616

Note 5 : Deferred Tax Liability (net)

In ₹

	As at March 31, 2014	As at March 31, 2013
Deferred tax asset		
Provision for doubtful receivables	3,344,993	645,484
Provision for compensated absences	14,517,169	12,564,040
Others	17,103,041	11,993,047
	34,965,203	25,202,571
Deferred tax liability		
Difference between book and tax depreciation	624,796,469	437,179,857
Deferred tax liability (net)	589,831,266	411,977,286

Note 6 : Other Long Term Liabilities

In ₹

	As at March 31, 2014	As at March 31, 2013
Others:		
Payables on purchase of fixed assets	71,077,452	54,022,941
	71,077,452	54,022,941

Note 7 : Long Term Provisions

In ₹

	As at March 31, 2014	As at March 31, 2013
Compensated absences	40,942,408	40,700,289
	40,942,408	40,700,289

Note 8 : Short Term Borrowings

In ₹

	As at March 31, 2014	As at March 31, 2013
Secured :		
Loans repayable on demand		
- from Banks	29,135,656	19,499,418
	29,135,656	19,499,418

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 9 : Trade Payables

In ₹

	As at March 31, 2014	As at March 31, 2013
Trade Payables :		
Total outstanding dues to micro and small enterprises	-	-
Others	921,608,234	774,218,674
	921,608,234	774,218,674

Note 10 : Other Current Liabilities

In ₹

	As at March 31, 2014	As at March 31, 2013
Unpaid dividend	180,456	114,388
Amounts received from ESOP Trust	150,023,708	150,045,758
Dues to Statutory Authorities (PF,ESI & other taxes)	43,360,137	56,594,643
Unearned Revenue	699,598,203	553,703,963
Other payables	494,312,288	394,348,480
Gratuity	6,916,716	10,249,690
Commission payable to non - whole time Directors	10,000,000	9,000,000
Payables on purchase of fixed assets	57,302,438	74,625,786
	1,461,693,946	1,248,682,708

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31,2014.

Note 11 : Short Term Provisions

In ₹

	As at March 31, 2014	As at March 31, 2013
Compensated absences	1,767,709	3,736,359
Proposed Dividend	355,123,424	355,123,424
Tax on Proposed Dividend	60,353,226	60,353,226
	417,244,359	419,213,009

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 12 : Fixed Assets

In ₹

Description of Assets	Gross block (at cost)			Depreciation/Amortisation			Net block		
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	For the year	Deductions/ Adjustments	As at March 31, 2014	As at March 31, 2013
A : Tangible Assets									
Land	1,021,491,999	-	-	1,021,491,999	-	-	-	1,021,491,999	1,021,491,999
Land - Leasehold	938,691,999	82,800,000	-	1,021,491,999	-	-	-	1,021,491,999	938,691,999
	864,000	-	-	864,000	113,442	8,726	-	741,832	750,558
	864,000	-	-	864,000	104,716	8,726	-	750,558	759,284
Buildings	2,635,452,094	1,634,419,032	569,736	4,269,301,390	304,486,378	69,211,783	785,732	3,896,388,961	2,330,965,716
	2,598,956,423	36,495,671	-	2,635,452,094	256,110,391	48,375,987	-	2,330,965,716	2,342,846,032
Buildings - Leasehold	15,608,588	-	-	15,608,588	10,204,187	655,722	-	4,748,679	5,404,401
	15,608,588	-	-	15,608,588	8,316,084	1,888,103	-	5,404,401	7,292,504
Plant and Equipments	991,093,322	444,539,317	275,380	1,435,357,259	335,341,814	93,420,777	3,644,959	1,010,239,627	655,751,508
	929,739,840	77,917,863	16,564,381	991,093,322	282,329,821	65,655,462	12,643,469	655,751,508	647,410,019
Furniture and Fittings	829,167,036	321,400,247	5,087,656	1,145,479,627	460,572,186	91,656,185	4,572,950	597,824,206	368,594,850
	760,168,427	74,857,518	5,858,909	829,167,036	402,679,508	61,816,272	3,923,594	368,594,850	357,488,919
Vehicles	68,065,043	28,612,369	20,452,447	76,224,965	30,817,561	6,685,354	17,476,089	56,198,139	37,247,482
	58,140,280	10,935,242	1,010,479	68,065,043	25,741,579	5,781,463	705,481	32,398,701	32,398,701
Office Equipment	187,379,535	22,184,283	17,340	209,546,478	119,208,006	9,111,679	576,102	81,802,895	68,171,529
	176,978,388	10,524,748	123,601	187,379,535	109,305,183	10,007,268	104,445	68,171,529	67,673,205
Sub Total A	5,749,121,617	2,451,155,248	26,402,559	8,175,874,306	1,260,743,574	270,750,226	27,055,832	6,669,436,338	4,488,378,043
Previous Year	5,479,147,945	293,531,042	23,557,370	5,749,121,617	1,084,587,282	193,533,281	17,376,989	4,488,378,043	4,394,560,663
B : Intangible Assets									
Software	99,154,648	302,552,424	-	401,707,072	67,481,000	107,952,078	-	226,273,994	31,673,648
	63,205,080	35,949,568	-	99,154,648	53,742,970	13,738,030	-	31,673,648	9,462,110
Development Expenditure	38,540,065	-	-	38,540,065	38,540,065	-	-	-	-
Non-Compete Fees	38,540,065	-	-	38,540,065	37,904,313	635,752	-	-	635,752
	20,000,000	-	-	20,000,000	18,432,877	1,567,123	-	-	1,567,123
	20,000,000	-	-	20,000,000	14,432,877	4,000,000	-	1,567,123	5,567,123
Vacation ownership weeks	6,226,938	-	-	6,226,938	6,226,938	-	-	-	-
	6,226,938	-	-	6,226,938	6,226,938	-	-	-	-
Sub Total B	163,921,651	302,552,424	-	466,474,075	130,680,880	109,519,201	-	226,273,994	33,240,771
Previous Year	127,972,083	35,949,568	-	163,921,651	112,307,098	18,373,782	-	33,240,771	15,664,985
TOTAL (A+B)	5,913,043,268	2,753,707,672	26,402,559	8,640,348,381	1,391,424,454	380,269,427	27,055,832	6,895,710,332	4,521,618,814
Previous Year	5,607,120,028	329,480,610	23,557,370	5,913,043,268	1,196,894,380	211,907,063	17,376,989	4,521,618,814	4,410,225,648

Note: Figures in italics are in respect of the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 13 : Non current Investments

In ₹

	As At March 31, 2014	As At March 31, 2013
Long term Investments (At Cost, Un-Quoted) :		
Investment in Equity Shares (non trade, fully paid up)		
Mahindra World City Developers Ltd. (1 equity share of ₹ 10 each.)	10	10
Investment in Equity Shares (trade, fully paid up)		
Subsidiaries :		
Mahindra Holidays and Resorts USA Inc (100 equity shares of US\$ 0.10 each.) (See note 45)	45,503	45,503
MHR Hotel Management GmbH - sold during the year (Shares equivalent in value to Euros 26,250 out of total share capital of Euros 35,000)	-	1,567,125
Heritage Bird (M) Sdn. Bhd. (300,002 shares of one Ringgit each.)	4,026,772	4,026,772
Mahindra Hotels and Residences India Ltd. (49,994 equity shares of ₹ 10 each.)	499,940	499,940
BAH Hotelanlagen AG - sold during the year (1,385 shares of Euro 50 each.)	-	311,379,054
Bell Tower Resorts Private Limited (199,38,674 Shares of ₹ 10/- each.)	505,452,424	505,452,424
Divine Heritage Hotels Private Limited (700,000 Shares of ₹ 10/- each.)	92,497,545	92,497,545
Gables Promoters Private Limited (132,00,000 Shares of ₹ 10/- each.)	136,378,036	136,378,036
Holiday on Hill Resort Private Limited (10,00,000 Shares of ₹ 10/- each.)	438,739,417	438,739,417
MH Boutique Hospitality Limited (49,000 shares of THB 100 each.)	9,538,138	9,538,138

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	As At March 31, 2014	As At March 31, 2013
Infinity Hospitality Group Company Limited (734,850 shares of THB 100 each.)	268,110,663	256,512,129
Joint venture :		
Arabian Dreams Hotels and Aparments LLC (147 shares of AED 1000 each.) (See note b)	5,211,172	-
Others :		
Mahindra Hotels and Resorts Limited (20,011 shares of ₹ 10 each acquired during the year) (See note c)	1	-
Investment in Preference Shares (non trade fully paid up)		
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10 each.) (See note a)	250,000	250,000
	1,460,749,621	1,756,886,093
Aggregate value of unquoted investments	1,460,749,621	1,756,886,093

NOTE:

- The preference shares of Guestline Hospitality Management and Development Services Limited will be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz 14.01.2003 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.
- On March 26, 2013, the Company has subscribed for 49% of the share capital of Arabian Dreams Hotels Aparments LLC, Dubai, which operates a 75 room hotel and the remittance was made in April 2013.
- On February 20, 2014, the company acquired 19.97% of equity share capital of Mahindra Hotels and Resorts Ltd.

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

In ₹

	As at March 31, 2014	As at March 31, 2013
Capital advances	344,326,736	278,108,333
Security deposits	411,095,151	342,525,543
Loans and advances to related parties	94,687,287	84,492,063
Payments towards Income Tax (net of provisions)	921,067,514	807,273,047
	1,771,176,688	1,512,398,986

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

In ₹

	As at March 31, 2014	As at March 31, 2013
Long Term Trade receivables due for payment after one year	3,844,171,488	3,296,266,068
	3,844,171,488	3,296,266,068

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 16 : Current investments

In ₹

	As At March 31, 2014 Units	As At March 31, 2014 Value	As At March 31, 2013 Units	As At March 31, 2013 Value
Investment in Mutual Funds (unquoted)				
Units :				
Birla Sun Life Cash Plus - Reg - Dly Dividend	1,671	3,522,513	-	-
Birla Sun Life Savings Fund	1,342	34,616	40,307	4,034,502
DWS Insta Cash Plus Fund - Super IP - Dly Dividend	1,242	1,364,159	-	-
Tata Treasury Manager Fund Plan A-DDRE	-	-	1,542	1,556,202
ICICI Prudential Flexible Income Plan Premium	-	-	242,083	25,596,646
ICICI Prudential Ultra Short Term - Reguar Plan-DDRE	4,219	27,157,515	-	-
IDFC Ultra Short Term Fund - Reg - Dly Dividend	26,325	36,823,427	-	-
JM Money Manager Fund Super Plus Plan - Daily Dividend	-	-	2,163,849	21,651,475
Kotak Liquid Scheme - Plan A - Dly Dividend	116	3,417,235	-	-
Kotak Floater Long Term	17,388	20,175,266	-	-
UTI Treasury Advantage Fund - IP - Dly Dividend	228	1,609,503	-	-
Kotak Flexi Debt Scheme Inst DDRE	-	-	2,548,297	25,604,019
Sundaram Money Fund - Reg - Dly Dividend	16,052	3,475,697	-	-
Templeton India Ultra Short Bond Fund - Super IP - Dly Dividend	29,318	22,876,495	-	-
Templeton India TMA - Super IP - Dly Div	192	6,189,781	-	-
TTMSHD Tata Treasury Manager SHIP DDRE	-	-	23,555	23,797,707
		126,646,207		102,240,551
Aggregate value of unquoted investments		126,646,207		102,240,551

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

In ₹

	As at March 31, 2014	As at March 31, 2013
Stores		
Food, beverages and smokes	10,860,164	10,780,650
Operating supplies	85,040,538	53,015,307
	95,900,702	63,795,957

Note 18 : Trade Receivable (Unsecured)

In ₹

	As at March 31, 2014	As at March 31, 2013
Trade Receivables outstanding for more than six months from the date they are due for payment		
Considered good	2,996,340,744	2,920,333,820
Considered doubtful	9,841,109	1,899,041
Less: Allowance for trade receivables	9,841,109	1,899,041
	2,996,340,744	2,920,333,820
Others	5,437,821,066	3,339,499,396
	8,434,161,810	6,259,833,216

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 19 : Cash & Cash equivalents

In ₹

	As at March 31, 2014	As at March 31, 2013
Cash on hand	6,783,135	1,465,141
	6,783,135	1,465,141
Balances with Banks		
Current accounts	172,367,033	333,732,087
Deposit account - with maturity of less than 3 months	204,254,791	-
Deposit account - others	2,503,902	2,503,902
Earmarked accounts		
Margin money deposits	624,378	624,378
Unpaid dividend accounts	257,032	114,388
	380,007,136	336,974,755
	386,790,271	338,439,896

Note 20 : Short Term Loans & Advances (Unsecured, considered good)

In ₹

	As at March 31, 2014	As at March 31, 2013
Inter corporate deposits, loan & advances to subsidiaries and joint venture	1,734,490,371	1,398,542,597
Claims Receivable	40,592,139	101,075,975
Loan to ESOP Trust	125,000,000	128,000,000
Balances with Statutory Authorities	91,921,056	86,099,994
Advances to Suppliers	160,961,120	152,554,163
Loans and advances to Employees	15,287,451	18,736,149
Prepaid Expenses	43,387,189	88,542,181
Other advances	-	1,417,733
	2,211,639,326	1,974,968,792

Note 21 : Other Current Assets

In ₹

	As at March 31, 2014	As at March 31, 2013
Interest accrued on Inter corporate deposits, loans and advances :		
Subsidiaries and joint venture	199,305,115	90,571,530
Others	3,297,716	-
	202,602,831	90,571,530

Note 22 : Revenue from Operations

In ₹

	Year ended Mar-14	Year ended Mar-13
Income from operations :		
Income from sale of vacation Ownership	4,826,007,078	4,458,558,633
Income from Resorts :		
- Room rentals	107,219,623	115,342,437
- Food and beverages	705,022,559	568,398,353
- Wine and liquor	27,452,549	22,026,133
- Others	241,821,508	225,654,874
Annual Subscription Fee	1,327,343,011	1,137,975,192
Income from travel services & home stays	66,935,150	57,415,802
	7,301,801,478	6,585,371,424
Other Operating Income :		
Interest Income on Instalment sales	455,981,405	304,738,652
Income from securitization (refer note 27)	3,776,696	116,132,195
Miscellaneous income	13,636,147	9,242,481
	473,394,248	430,113,328
	7,775,195,726	7,015,484,752

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 23 : Other Income

In ₹

	Year ended Mar-14	Year ended Mar-13
Dividend income from current investments	37,411,294	51,955,889
Interest income:		
On deposits with bank	21,757,745	-
On others	139,827,674	91,954,180
Gain of sales of Investment in subsidiaries	15,107,088	-
	214,103,801	143,910,069

Note 24 : Employee benefits expense

In ₹

	Year ended Mar-14	Year ended Mar-13
Salaries, wages and bonus	1,590,747,364	1,394,575,882
Contribution to Provident & other funds	62,685,628	44,498,356
Staff welfare	88,195,840	56,169,735
	1,741,628,832	1,495,243,973

Note 25 : Finance costs

In ₹

	Year ended Mar-14	Year ended Mar-13
Interest on short term borrowings	9,684,184	16,000,114
	9,684,184	16,000,114

Note 26 : Other expenses

In ₹

		Year ended Mar-14		Year ended Mar-13
Food Beverages and smokes Consumed				
Opening Stock	10,780,650		9,784,841	
Add: Purchases	220,984,813		182,125,421	
	231,765,463		191,910,262	
Less: Closing Stock	10,860,164		10,780,650	
		220,905,299		181,129,612
Operating Supplies		354,359,015		226,274,466
Power and fuel		266,556,681		220,374,327
Rent (including lease rentals)		605,267,646		412,450,688
Rates and taxes		37,598,502		22,776,040
Insurance		18,692,816		12,619,594
Repairs and maintenance :-				
-Buildings and Resort Renovations		120,944,508		105,913,406
-Office Equipment		25,300,218		12,472,748
-Others		126,366,296		83,967,311
Communication		75,467,208		75,751,854
Software Charges		19,072,549		29,001,032
Consultancy charges		103,373,229		96,159,406
Advertisement		87,257,688		100,621,753
Sales commission		252,164,063		328,710,946
Sales promotion expenses		1,399,112,025		1,307,477,856
Discounts		176,482,536		102,246,205
Travelling		198,213,781		178,808,582
Service Charges		131,881,890		172,614,161
Bad debts		1,886,810		-
Provision for doubtful receivables		7,942,068		385,452

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	Year ended Mar-14	Year ended Mar-13
Auditors' remuneration includes:		
Audit fees	3,500,000	3,500,000
Other services	7,120,000	1,050,000
Reimbursement of expenses/levies	12,441	-
Director's fees	1,025,000	700,000
Commission to non whole time directors	10,000,000	9,000,000
Loss on exchange fluctuation (net)	1,488,689	2,025,717
Loss on fixed assets sold/Written off (net)	3,305,618	3,924,498
Bank Charges	63,209,776	60,662,779
Miscellaneous	125,010,083	97,103,587
	4,443,516,435	3,847,722,020

27 Securitisation

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

In ₹

	Year ended March 31,	
	2014	2013
Value of Accounts receivable	603,524,597	2,934,934,145
Less: Future interest receivable	131,965,238	651,517,010
Principal amount of receivables	471,559,359	2,283,417,135
Consideration received	500,000,000	2,450,000,000
Profit on securitisation	28,440,641	166,582,865
Less: Reversals	24,663,945	50,450,670
Income from securitisation	3,776,696	116,132,195

28 Contingent Liabilities

In ₹

	As at March 31,	
	2014	2013
(A) Receivables securitised, with recourse		
Certain specified Receivables have been securitised with a bank for availing finance. In case a member defaults in payment to the bank, the bank would have recourse to the company. In such cases, the company has recourse to the customer.	2,689,790,487	3,844,877,592
(B) Claims against the company not acknowledged as debts		
1) Luxury tax claimed on membership, room revenue and other services provided to members, which has been disputed by the company.	74,671,145	72,350,714
2) Service tax demands for various years disputed by the company.	638,770,100	589,846,508
3) Income tax matters		
(a) Time share income		
i) The Income Tax Department's appeal against the orders of the CIT(A) for the assessment years 1998-99 to 2003-04 and 2005-06 to 2009-10 in respect of issues relating to revenue recognition, was decided in favour of the Company by the Appellate Tribunal. Amount under dispute was ₹ 2,710,025,658 (including interest of ₹ 676,551,721).		
ii) For the assessment years 2004-05, 2010-11 & 2011-12, the company's appeal is pending with CIT(A). The amount of demand is ₹ 1,824,923,160/- (including interest of ₹ 475,881,114/-)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	As at March 31,	
	2014	2013
<p>(b) Other matters disputed which are timing differences Demand raised on account of disallowance of expenditure during construction, software expenses, website development expenses, renovation expenses and project design cost ₹ 160,641,473/- (including interest of ₹ 36,348,559/-). As at March 31, 2013 ₹ 142,707,705 (including interest of ₹ 32,469,862). However even if these liabilities crystallise, there would be future tax benefits available on account of timing differences, except on the outcome of the appeals</p>		
<p>(c) Other disallowances Interest on other disallowances included in the contingent liability is ₹ 30,254,625 (as at March 31, 2013 ₹ 26,616,570) The above are exclusive of consequential effect of similar matters in respect of the assessments remaining to be completed. The above amounts are based on demands raised, which the company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the company's rights for future appeals. No reimbursements are expected.</p>	123,079,473	115,055,341

(C) Other matters under appeal

- (i) The Government of Kerala issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the grounds that it is agricultural land and cannot be used for commercial purposes. The Company has filed an appeal before the Commissioner of Land Revenue against the Order stating that the patta issued does not specify that the land should be used only for agricultural purpose and also obtained a Stay Order from the Kerala High Court against eviction from the property.
The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company against the Order of the Sub-Collector, District of Devikulam dated July 3, 2007 cancelling the assignment of land underlying the Munnar Resort and directing repossession of land on the grounds that it is agricultural land and cannot be used for commercial purposes. The Company filed a writ petition before the Kerala High Court against the said Order and on December 13, 2007, the Court granted an interim stay of all further proceedings.
- (ii) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 12.56 Crores as damages for termination of the Contract. The Company has made a counter claim of ₹ 20.03 Crores towards liquidated damages and other losses. The matter is pending before the Arbitrator.
- (iii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to Feb 2013 in respect of Indian employees and from April 2010 to February 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 1.89 Crores. The Company has filed a Writ Petition before the Madras High Court and the Court has granted an Interim stay of the above proceedings.

29 Capital commitments

In ₹

	As at March 31,	
	2014	2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	369,926,295	422,275,060

30 CIF Value of Imports

In ₹

	Year ended March 31,	
	2014	2013
Capital goods	11,552,423	18,093,987

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

31 Expenditure in foreign currency

In ₹

	Year ended March 31,	
	2014	2013
Salaries	61,453,334	46,970,395
Travel	695,360	382,265
Consultancy	21,379,965	29,064,846
Marketing expenses	29,579,023	38,964,548
Lease rent	50,705,355	-
Others	15,142,175	21,876,451

32 Earnings in foreign exchange

In ₹

	Year ended March 31,	
	2014	2013
Room rentals and restaurant sales	3,720,654	7,202,724
Sale of vacation ownership	104,030,210	114,766,311
Interest (including Inter corporate deposits, loan & advances to subsidiaries and joint venture)	44,551,294	7,800,623

33 Particulars of consumption

In ₹

Consumption	2013-14		2012-13	
	% of total value	Consumption ₹	% of total value	"Consumption ₹"
Provisions, beverages (excluding wine, liquor and smokes)	97	213,699,847	97	175,715,784
Wine, Liquor and Smokes	3	7,205,452	3	5,413,828
	100	220,905,299	100	181,129,612
Indigenous	100	220,905,299	100	181,129,612
Imported	-	-	-	-
	100	220,905,299	100	181,129,612

34 Employee Benefits

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

In ₹

Gratuity		2013-14	2012-13
a.	Net Asset/ (Liability) recognized in the balance sheet		
	Present value of funded obligation	27,951,110	27,354,662
	Fair value of plan assets	21,034,394	17,104,972
	Net asset/ (Liability)	(6,916,716)	(10,249,690)
b.	Expense recognized in the Statement of profit and loss		
	Current service cost	8,700,463	8,732,779
	Interest cost	2,045,035	1,401,143
	Expected return on plan assets	(1,694,432)	(1,320,484)
	Actuarial (gains) / losses	(6,571,128)	1,436,252
	Total expense	2,479,938	10,249,690

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

Gratuity		2013-14	2012-13			
c.	Change in present value of obligation					
	Present value of defined benefit obligation as at the beginning of the year	27,354,662	19,152,550			
	Current service cost	8,700,463	8,732,779			
	Interest cost	2,045,035	1,401,143			
	Actuarial (gains) /losses	(6,565,606)	1,408,978			
	Benefits paid	(3,583,445)	(3,340,788)			
	Present value of defined benefit obligation as at the end of the year	27,951,110	27,354,662			
d.	Change in fair value of plan assets					
	Plan assets at the beginning of the year	17,104,972	12,655,898			
	Expected return on plan assets	1,694,433	1,320,484			
	Actuarial (gains) /losses	5,522	(27,274)			
	Contributions by employer	5,812,912	6,496,652			
	Benefits paid	(3,583,445)	(3,340,788)			
	Plan assets at the end of the year	21,034,394	17,104,972			
e.	Principal actuarial assumptions					
1	Discount rate	9.15%	8.00%			
2	Expected return on plan assets	9.30%	9.30%			
3	Mortality table	IALM (2006-2008) ULT	IALM (2006-2008) ULT			
f.	Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.					
g.	Experience Adjustment to the extent provided by actuary:					
		2014	2013	2012	2011	2010
	Present value of commitments	27,951,110	27,354,662	19,152,550	15,398,391	12,978,631
	Fair value of the Plans	21,034,394	17,104,972	12,655,898	13,579,177	13,870,609
	Surplus / (Deficit)	(6,916,715)	(10,249,690)	(6,496,652)	(1,819,214)	891,978
	Experience adjustment on plan liabilities	(15,152,629)	56,790	56,790	-	-
	Experience adjustment on plan assets	5,522	1,923,330	1,923,330	-	-
h.	In the absence of the relevant information from the actuary/insurer, the above details do not include the composition of plan assets and the estimated amount of contribution in the immediate next year.					

35 Segment Reporting:

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

In ₹

Secondary segment information:	2014	2013
Within India		
Sales	7,671,165,516	6,900,718,441
Segment assets	22,975,914,223	19,279,571,020
Capital expenditure incurred during the year	923,225,238	1,028,074,652

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

Secondary segment information:	2014	2013
Outside India		
Sales	104,030,210	114,766,311
Segment assets	627,137,134	497,292,328
Capital expenditure incurred during the year	91,036	2,549,516
Total		
Sales	7,775,195,726	7,015,484,752
Segment assets	23,603,051,357	19,776,863,348
Capital expenditure incurred during the year	923,316,274	1,030,624,168

36 Earnings per share

In ₹

	2013-14	
	2014	2013
Net profit after tax (in ₹)	945,346,670	1,069,776,951
Weighted average number of Equity Shares used in computing basic earnings per share (Nos)	87,898,313	83,867,274
Weighted average number of Equity Shares used in computing diluted earnings per share (Nos) on account of ESOP	87,915,815	83,889,749
Earnings Per Share – Basic (in ₹)	10.76	12.76
Earnings per share – Diluted (in ₹)	10.75	12.75
Par value of shares (in ₹)	10.00	10.00

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

In ₹

	As at March 31,	
	2014	2013
Value in foreign currency		
Receivables (in UAE Dirham)	8,783,464	6,241,226
Loan to Malaysian Subsidiary (in Malaysian Ringgit)	5,131,914	4,763,836
Loan to Thailand Subsidiaries (in Thai Baht)	179,209,892	169,582,233
Loan & Advance to Arabian Dreams Hotels Apartments LLC (in UAE Dirham)	3,395,834	-
Trade payable (in UAE Dirham)	9,528	-
Trade Payable to Infinity Hospitality (in Thai Baht)	7,250,988	-
Trade Payable to Heritage Bird (in Malaysian Ringgit)	673,215	-
Value in INR		
Receivables	144,425,013	93,117,117
Loan to Malaysian Subsidiary	94,016,661	83,863,051
Loan to Thailand Subsidiaries	329,746,696	317,002,697
Loan & Advances to Arabian Dreams Hotels Apartments LLC	55,837,123	-
Trade Payable	155,305	-
Trade Payable to Infinity Hospitality	14,054,589	-
Trade Payable to Heritage Bird	12,333,299	-

38 In June 2009, the Company made an Initial Public Offer of 58,96,084 equity shares of ₹ 10 each for cash at a premium of ₹ 290 per equity share, aggregating to ₹ 17,688.25 lacs of which ₹ 16,242.51 lacs were utilised for construction of resorts and ₹ 1,445.74 lacs towards issue expenses.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- 39** On April 12, 2013, the Company allotted 41,41,084 equity shares of ₹ 10 each for cash at a premium of ₹ 245 per equity share aggregating to ₹ 10,559.76 lakhs, pursuant to shares issued under an Institutional Placement Programme (IPP). Out of the total proceeds, the Company has spent ₹ 308.78 lakhs towards issue expenses, ₹ 7,313.68 lakhs towards capital expenditure and the balance has been invested in debt schemes of mutual funds/Fixed Deposits with Bank/ lying in bank account.
- 40** The particulars regarding dues to Micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. There are no dues payable to such parties as at the balance sheet date.
- 41 Related Party Transactions:**
- (i) Names of related parties and nature of relationship where control exists:

A.	Holding Company	Mahindra & Mahindra Limited
B.	Subsidiary Companies	Mahindra Holidays and Resorts USA Inc. Mahindra Hotels & Residences India Limited MHR Hotel Management GmbH (till 29th November, 2013) Heritage Bird (M) Sdn Bhd. Bell Tower Resorts Private Limited BAH Hotelanlagen AG (till 29th November, 2013) Divine Heritage Hotels Private Limited Gables Promoters Private Limited Holiday on Hills Resorts Private Limited Infinity Hospitality Group Company Limited * MH Boutique Hospitality Limited **
C.	Fellow Subsidiaries with whom the company has transactions during the year	Mahindra Intertrade Limited Mahindra Consulting Engineers Limited Mahindra First Choice Wheels Ltd Mahindra First Choice Services Limited Mahindra Navistar Automotives Limited. Mahindra Reva Electric Vehicles Private Limited Mahindra Lifespace Developers Limited Mahindra Retail Private Limited Mahindra Two Wheelers Limited Mahindra Vehicle Manufacturers Limited Mahindra Shubhlabh Services Limited. Mahindra Automobile Distributor Private Limited Mahindra EPC Services Private Limited Mahindra Engineering Services Limited Mahindra Steel Service Centre Limited Mahindra Logistics Limited Bristlecone Inc. Bristlecone India Limited. Defence Land Systems India Private Limited EPC Industries Limited Mahindra Defence Systems Limited Mahindra Integrated Township Ltd Mahindra Integrated Business Solutions Private Limited Mahindra Solar One P Ltd. Mahindra Steel Services Centre Ltd Mahindra World City (Jaipur) Ltd Mahindra World City Developers Ltd

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

D.	Other entities under the control of the company	Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust
E.	Entity in which the company has joint control	Arabian Dreams Hotels Apartments LLC
F.	Key Management Personnel	Mr. Rajiv Sawhney, Managing Director & CEO

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

** By virtue of management control.

(ii) Related Party Transactions and balances

In ₹

	March 31, 2014	March 31, 2013
Holding company		
Transactions for the year ended :		
Sale of services	485,998,501	494,025,127
Purchases of fixed assets	-	82,800,000
Purchase of services	70,659,156	65,620,000
Dividend paid	266,342,568	279,942,568
Balances as at :		
Outstanding: Payable	47,688,211	7,033,075
Outstanding: Receivable	73,019,356	64,142,088
Subsidiary companies		
Transactions for the year ended :		
Investments made:		
Bell Tower Resorts Private Limited	-	-
Divine Heritage Hotels Private Limited	-	92,497,545
Gables Promoters Private Limited	-	136,378,036
Holiday on Hills Resorts Private Limited	-	438,739,420
Infinity Hospitality Group Company Limited	11,598,534	256,512,129
MH Boutique Hospitality Limited	-	9,538,138
ICD, loans and advances given:		
Bell Tower Resorts Private Limited	2,000,000	-
Divine Heritage Hotels Private Limited	103,700,000	65,000,000
Holiday on Hills Resorts Private Limited	6,200,000	286,071,000
Gables Promoters Private Limited	107,606,000	-
Infinity Hospitality Group Company Limited	-	255,189,900
MH Boutique Hospitality Limited	-	52,155,600
Sale of services:		
Bell Tower Resorts Private Limited	-	-
Purchase of services:		
Bell Tower Resorts Private Limited	41,634,321	36,889,329
Divine Heritage Hotels Private Limited	9,136,600	3,902,800
Holiday on Hills Resorts Private Limited	19,557,500	5,206,215
Heritage Bird (M) Sdn Bhd.	15,933,409	12,200,878
Infinity Hospitality Group Company Limited	16,875,071	5,359,000
BAH Hotelanlagen AG	619,544	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	March 31, 2014	March 31, 2013
Interest Income:		
Bell Tower Resorts Private Limited	61,627,988	58,381,450
Divine Heritage Hotels Private Limited	9,095,846	3,958,767
Heritage Bird (M) Sdn Bhd.	7,690,389	7,145,461
Gables Promoters Private Limited	728,321	-
Holiday on Hills Resorts Private Limited	27,186,427	11,249,783
Infinity Hospitality Group Company Limited	24,877,240	9,304,637
MH Boutique Hospitality Limited	5,084,399	1,914,082
Balances as at :		
Investment :		
BAH Hotelanlagen AG	-	311,379,054
Mahindra Hotels & Residences India Limited	499,940	499,940
MHR Hotel Management GmbH	-	1,567,125
Heritage Bird (M) Sdn Bhd.	4,026,772	4,026,772
Mahindra Holidays and Resorts USA Inc.	45,503	45,503
Bell Tower Resorts Private Limited	505,452,424	505,452,424
Divine Heritage Hotels Private Limited	92,497,545	92,497,545
Gables Promoters Private Limited	136,378,036	136,378,036
Holiday on Hills Resorts Private Limited	438,739,420	438,739,420
Infinity Hospitality Group Company Limited	268,110,663	256,512,129
MH Boutique Hospitality Limited	9,538,138	9,538,138
Loans and Advances :		
Mahindra Hotels & Residences India Limited	670,625	629,012
Heritage Bird (M) Sdn Bhd.	94,016,661	83,863,051
ICD Outstanding:		
Bell Tower Resorts Private Limited	773,374,612	715,909,423
Divine Heritage Hotels Private Limited	180,449,152	68,562,890
Holiday on Hills Resorts Private Limited	326,863,589	296,195,804
Gables Promoters Private Limited	108,261,488	-
Infinity Hospitality Group Company Limited	272,435,460	263,199,262
MH Boutique Hospitality Limited	57,310,742	53,803,435
Outstanding: Receivable		
Bell Tower Resorts Private Limited	49,050,211	24,766,085
Divine Heritage Hotels Private Limited	131,473,765	64,060,350
Holiday on Hills Resorts Private Limited	39,417,604	2,616,878
Outstanding: Payable		
Infinity Hospitality Group Company Limited	14,054,589	5,359,000
Heritage Bird (M) Sdn Bhd.	12,333,299	-
Fellow Subsidiaries		
Transactions for the year ended :		
Sale of fixed assets:		
Mahindra First choice Wheels Limited	-	680,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	March 31, 2014	March 31, 2013
Sale of services:		
Mahindra Logistics Limited	-	42,667
Mahindra Intertrade Ltd	2,675,430	5,618,236
Mahindra Navistar Automotives Limited.	1,806,074	384,059
Mahindra First Choice Wheels Ltd	471,532	95,574
Mahindra First Choice Services Limited	-	471,299
Mahindra Lifespace Developers Ltd	4,400,232	2,947,469
Mahindra Reva Electric Vehicles Private Limited	101,316	403,382
Mahindra Retail Private Limited	-	172,309
Mahindra Two Wheelers Limited	4,341,991	431,235
Mahindra Vehicle Manufacturers Limited	-	283,859
Mahindra Shubhlabh Services Limited.	908,950	138,025
Mahindra Solar One P Ltd.	54,586	-
Mahindra Integrated Township Ltd	29,339	-
Mahindra World City Developers Ltd	1,956,406	-
Mahindra World City (Jaipur) Ltd	1,806,199	-
Mahindra Steel Service Centre Limited	84,296	-
Mahindra Defence Systems Limited	2,940,026	-
Bristlecone India Limited	19,500	-
Bristlecone Inc.	308,682	-
Defence Land Systems India Private Limited	438,314	-
EPC Industries Limited	21,901	-
Mahindra Consulting Engineers Limited	1,012,732	-
Mahindra EPC Services Private Limited	8,580,780	6,928,902
Purchase of services:		
Mahindra Consulting Engineers Limited	-	208,500
Mahindra Logistics Limited	88,987	662,820
Mahindra Integrated Business Solutions Private Limited	250,000	-
Mahindra Defence Systems	310,000	-
Balances as at :		
Outstanding: Payable		
Mahindra Logistics Limited	-	3,519
Mahindra First Choice Wheels Ltd	-	386,726
Outstanding: Receivable		
Mahindra Lifespace Developers Ltd	402,834	752,012
Mahindra Consulting Engineers Limited	1,021,716	-
Mahindra Engineering Services Limited	515,839	825,800
Mahindra Intertrade Limited	1,483,688	938,521
Mahindra Automobile Distributor Private Limited	-	-
Mahindra Shubhlabh Services Limited.	145,899	155,738
Mahindra EPC Services Private Limited	1,315,936	273,558
Mahindra Two Wheelers Limited	3,697,724	23,595
Mahindra First Choice Wheels Ltd	90,302	-
Mahindra World City Developers Ltd	25,173	-
Mahindra World City (Jaipur) Ltd	177,393	-
Mahindra Defence Systems Limited	1,704,000	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	March 31, 2014	March 31, 2013
Mahindra Navistar Automotives Limited	516,730	-
Bristlecone India Limited	19,500	-
Defence Land Systems India Pvt Ltd	439,910	-
Mahindra Reva Electric Vehicles Private Limited	-	173,510
Entity in which the company has joint control		
Transactions for the year ended :		
Investments made:	5,211,172	-
ICD, loans and advances given:	46,044,914	-
Purchase of services:	52,520,144	-
Interest Income:	3,537,065	-
Balances as at :		
Outstanding: Receivable	6,322,845	-
ICD Outstanding:	49,514,278	-
Other entities under the control of the company		
Balances as at :		
Outstanding: Payable		
Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	150,023,708	150,045,758
Outstanding: Receivable		
Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	125,000,000	128,000,000
Key Management Personnel		
Transactions for the year ended :		
Managerial remuneration:		
Mr Rajiv Sawhney	28,886,988	24,320,437

42 Capital work in progress and expenditure during construction pending allocation included therein.

In ₹

Description	As at March 31,	
	2014	2013
Capital Work-in-progress	636,433,993	2,314,208,454

Expenditure during construction pending allocation included above:

Salaries, Wages & Bonus	100,732,036	189,287,921
Staff welfare Expenses	1,042,167	2,929,987
Power & Fuel	204,397	3,547,017
Rent	539,627	2,650,292
Rates & Taxes	434,549	2,394,571
Repairs-Others	2,193,677	2,722,658
Travelling	18,203,344	37,541,608
Communication	2,095,479	4,502,894
Printing & Stationery	865,930	1,503,834
Insurance	15,074	29,932
Consultancy Charges	28,744,380	55,913,239
Freight	1,889,717	5,365,373
Interest - Others	4,477,769	16,145,664
Bank Charges	115,442	2,324,346
Miscellaneous	129,880	524,101
Total	161,683,468	327,383,437

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

43 Joint Venture Disclosures

i. Interest in Joint Ventures

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

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

In ₹

Particulars	2013-2014	2012-13
Liabilities :		
Short term borrowings	27,122,526	-
Other current liabilities	1,982,948	-
Assets :		
Long term loans and advances	900,534	-
Short term loans and advances	6,889,474	-
Trade receivables	4,914,385	189,386
Cash and cash equivalents	801,759	-
Income	54,673,821	1,055,353
Expenses	72,840,122	865,967
Contingent liabilities / Capital commitments	NIL	NIL

- 44 During the year, the Board of Directors at their Meeting held on 17th September, 2013 approved the Scheme of Amalgamation and Arrangement of Bell Tower Resorts Private Limited (wholly owned subsidiary) with the Company. The Scheme was approved by the share holders at the Court Convened Meeting held on 19th February 2014. The appointed date under the Scheme is 1st April, 2013 and the Scheme will be effective upon the filling of certified copies of the Orders of the High Court of Madras & High Court of Bombay at Goa with respective Registrar of Companies. The Company has obtained the approval of the High Court of Bombay at Goa, while the approval of High Court of Madras is awaited. Consequently no impact of the Scheme has been given in the financial statements for the year ended 31st March, 2014.
- 45 The Board of Directors at their Meeting held on 29th January, 2014 has resolved to liquidate by way of voluntary dissolution of its wholly owned subsidiary company in USA, Mahindra Holidays and Resorts USA Inc., subject to requisite approvals in USA. Accordingly, the subsidiary is in the process of completing the voluntary dissolution formalities and the impact on account of this on the operations of the Company is immaterial.
- 46 The figures for the previous year have been regrouped/reclassified to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

A.K. NANDA
ChairmanCYRUS J. GUZDER
DirectorS. KRISHNAN
Chief Financial OfficerDINESH SHETTY
Company SecretaryPlace: Mumbai
Date: May 6, 2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Particulars	Name of the subsidiary companies									
	Mahindra Holidays and Resorts USA Inc	Heritage Bhd (M) Sdn Bhd	MH Boutique Hospitality Ltd	Infinity Hospitality Group Company Ltd	Bell Tower Resorts (P) Ltd	Mahindra Hotels and Residences India Ltd	Holiday on Hill Resorts (P) Ltd	Gables Promoters (P) Ltd	Divine Heritage Resorts (P) Ltd	
The financial year of the subsidiary company ended on	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014	31st March, 2014
Number of shares in the subsidiary company held by Mahindra Holidays & Resorts India Limited at the above date:	100	300,002	49,000	734,850	19,938,574	49,994	1,000,000	13,200,000	700,000	
Equity (nos)	100%	100%	49%	75.98%	100%	100%	100%	100%	100%	
Extent of holding (%)										
The net aggregate of profits of the subsidiary company for its financial year so far as they concern the members of Mahindra Holidays & Resorts India Limited:										
(a) Dealt with in the accounts of Mahindra Holidays & Resorts India Limited for the year ended 31st March, 2014	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Not dealt with in the accounts of Mahindra Holidays & Resorts India Limited for the year ended 31st March, 2014	(1,460,901)	(116,167)	(2,382,214)	(12,516,534)	(86,965,887)	(52,844)	12,093,692	(244,263)	(10,614,528)	
The net aggregate of profits of the Subsidiary Company for its previous financial years so far as they concern the members of Mahindra Holidays and Resorts India Limited:										
(a) Dealt with in the accounts of Mahindra Holidays & Resorts India Limited for the year ended 31st March, 2013	-	-	-	-	-	-	-	-	-	-
(b) Not dealt with in the accounts of Mahindra Holidays & Resorts India Limited for the year ended 31st March, 2013	(3,212,894)	(6,427,851)	(966,368)	(9,297,271)	(122,004,467)	(979,091)	(14,966,996)	(25,448)	(20,079,985)	

Note :

The financial year of all the subsidiaries ended on 31st March, 2014, except for Infinity Hospitality Group Company Limited, whose financial year is 1st January, 2013 to 31st December, 2013.

For and on behalf of the Board of Directors

A.K. NANDA
Chairman

CYRUS J. GUZDER
Director

S. KRISHNAN
Chief Financial Officer

DINESH SHETTY
Company Secretary

Place: Mumbai

Date: May 6, 2014

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED** (the "Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An

audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements/ financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - b. in the case of the Consolidated Statement of Profit and Loss, of the profit of the group for the year ended on that date; and
 - c. in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

7. We did not audit the financial statements of ten subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of Rs. 2,134,523,868 as at March 31, 2014, total revenues of Rs. 297,986,335 and net cash flows amounting to Rs. 14,498,883 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, is based solely on the report of the other auditors.
8. Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

B. Ramaratnam
Partner
(Membership No. 21209)

Mumbai, May 6, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

In ₹

Particulars	Note	As At March 31, 2014	As At March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
Share Capital	3	880,241,730	838,808,840
Reserves and Surplus	4	6,727,280,817	5,289,113,038
		7,607,522,547	6,127,921,878
Minority Interest		6,495,439	12,098,958
Non- Current liabilities			
Long term borrowings			
Deferred tax liabilities (net)	5	203,266	53,526,925
Deferred Income - Advance towards members facilities (See note 2 (vi) (a))	6	589,831,266	411,977,286
Other long term liabilities	7	13,930,730,395	12,531,050,078
Long term provisions	8	71,077,452	54,022,941
		41,609,141	41,245,284
		14,633,451,520	13,091,822,514
Current liabilities			
Short term borrowings	9	29,465,804	19,890,346
Trade payables	10	949,513,892	825,355,464
Deferred Income - Advance towards members facilities (See note 2 (vi) (a))		751,102,920	601,273,546
Other current liabilities	11	1,464,800,692	1,333,889,497
Short term provisions	12	417,658,468	420,023,190
		3,612,541,776	3,200,432,043
		25,860,011,282	22,432,275,393
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	13	8,260,158,753	6,128,901,118
Intangible assets		226,167,439	33,660,664
Capital work in progress	42	730,208,820	2,373,055,183
Intangible assets under development		45,531,430	212,034,682
		9,262,066,442	8,747,651,647
Goodwill on consolidation	35	1,427,161,620	1,458,440,867
Non-current investments	14	250,011	250,010
Long term loans and advances	15	1,646,793,617	1,440,165,784
Other Non-current assets	16	3,844,171,488	3,296,266,068
		5,491,215,116	4,736,681,862
Current assets			
Current investments	17	126,646,207	102,240,551
Inventories	18	102,774,533	72,308,580
Trade receivables	19	8,446,294,628	6,277,977,196
Cash and cash equivalents	20	483,308,168	451,971,291
Short term loans and advances	21	514,881,098	584,338,316
Other current assets	22	5,663,470	665,083
		9,679,568,104	7,489,501,017
		25,860,011,282	22,432,275,393

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants**B. RAMARATNAM**

Partner

Place: Mumbai

Date: May 6, 2014

For and on behalf of the Board of Directors

A.K. NANDA

Chairman

S. KRISHNAN

Chief Financial Officer

Place: Mumbai

Date: May 6, 2014

CYRUS J. GUZDER

Director

DINESH SHETTY

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
REVENUE :			
Revenue from operations	23	8,163,708,715	7,385,671,587
Other income	24	139,346,176	54,676,703
Total Revenue		8,303,054,891	7,440,348,290
EXPENDITURE :			
Employee benefits expense	25	1,882,742,760	1,607,775,962
Finance costs	26	10,795,362	23,690,873
Depreciation and amortisation expense	13	393,584,236	272,571,342
Other expenses	27	4,678,924,407	4,108,478,976
Total Expenditure		6,966,046,765	6,012,517,153
Profit before tax		1,337,008,126	1,427,831,137
Less : Tax expense			
- Current tax		291,000,000	473,100,000
- Prior year		-	68,042
- Overseas tax		234,331	279,701
- Deferred tax		177,853,979	45,644,700
Profit after tax (for the year)		867,919,816	908,738,694
Minority Share of (profit)/loss		2,373,230	469,161
Profit for the year		870,293,046	909,207,855
Earnings per share:			
Basic		9.90	10.85
Diluted		9.90	10.84
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants**B. RAMARATNAM**

Partner

Place: Mumbai

Date: May 6, 2014

For and on behalf of the Board of Directors

A.K. NANDA

Chairman

S. KRISHNAN

Chief Financial Officer

Place: Mumbai

Date: May 6, 2014

CYRUS J. GUZDER

Director

DINESH SHETTY

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	1,337,008,126	1,427,831,137
Adjustments :		
Depreciation and amortisation expense	393,584,236	272,571,342
Finance costs	10,795,362	23,690,873
Interest income	(27,186,833)	(2,720,814)
Dividend income	(37,411,294)	(51,955,889)
Gain on sale of investment in subsidiaries	(69,846,116)	-
Loss on fixed assets sold/scrapped (net)	3,295,302	3,924,498
Bad debts	1,886,810	-
Provision for doubtful debts	7,942,068	492,288
	283,059,535	246,002,298
Operating profit before working capital changes	1,620,067,661	1,673,833,435
Changes in :		
Deferred income - Advance towards members' facilities	1,549,509,691	1,899,439,753
Trade and other receivables	(2,758,630,495)	(1,002,404,081)
Inventories	(30,465,953)	(30,395,548)
Trade and other payables	361,512,398	152,396,176
	(878,074,359)	1,019,036,300
Income taxes paid	(410,757,889)	(505,152,079)
NET CASH FROM OPERATING ACTIVITIES	331,235,413	2,187,717,656
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including capital work in progress and expenditure pending allocation	(1,256,033,029)	(1,957,105,010)
Proceeds from sale of fixed assets	2,482,852	47,580,081
Investments in subsidiaries and joint venture	(14,242,728)	(777,481,455)
Sale of investments in subsidiaries	328,053,267	-
Bank balances not considered as part of Cash and cash equivalents	(1,224,549)	
Interest received	22,188,446	2,261,955
Dividend income	37,411,294	51,955,889
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	(881,364,447)	(2,632,788,540)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

In ₹

	Year ended March 31, 2014	Year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayments of borrowings	(28,123,458)	(418,483)
Dividends paid	(355,057,356)	(338,559,088)
Dividend distribution tax paid	(60,353,226)	(54,922,748)
Proceeds from issue of equity shares through IPP	1,055,976,420	-
Loan recovered from ESOP Trust	3,000,000	4,000,000
Finance costs	(10,795,362)	(23,690,873)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	604,647,018	(413,591,192)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	54,517,984	(858,662,076)
CASH AND CASH EQUIVALENTS :		
Opening balance	520,270,780	1,378,932,856
Cash and bank balance of subsidiaries / joint venture acquired	-	48,688,967
	574,788,764	471,581,813
Closing balance	574,788,764	520,270,780
	54,517,984	(858,662,076)
Reconciliation between Cash and Cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet	483,308,168	451,971,291
Less: Bank balances not considered as Cash and cash equivalents	35,165,611	33,941,062
Net Cash and cash equivalents	448,142,557	418,030,229
Add: Current investments considered as part of Cash and cash equivalents (Investment in units of Mutual Funds)	126,646,207	102,240,551
Cash and cash equivalents at the end of the year	574,788,764	520,270,780
See accompanying notes forming part of the financial statements		

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

B. RAMARATNAM
Partner

Place: Mumbai
Date: May 6, 2014

For and on behalf of the Board of Directors

A.K. NANDA
Chairman

S. KRISHNAN
Chief Financial Officer

Place: Mumbai
Date: May 6, 2014

CYRUS J. GUZDER
Director

DINESH SHETTY
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.1 Corporate Information

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

1.2 Basis of preparation of Consolidated Financial Statements

The consolidated 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 Section 211(3C) of 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 13th 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.

The consolidated financial statements present the consolidated accounts which consist of accounts of the Company and that of the following subsidiaries.

Name of the company	Country of incorporation	Extent of Holding as at March 31,		Subsidiary/Jointly controlled entity since
		2014	2013	
Subsidiary Companies				
Mahindra Holidays & Resorts USA Inc	USA	100.00%	100.00%	November 4, 2003
MHR Hotel Management GmbH	Austria	75.00%	75.00%	February 16, 2007**
Mahindra Hotels & Residences India Limited	India	100.00%	100.00%	April 26, 2007
Heritage Bird (M) Sdn Bhd	Malaysia	100.00%	100.00%	March 3, 2008
BAH Hotelanlagen AG	Austria	98.93%	98.93%	January 11, 2010**
Bell Tower Resorts Private Limited	India	100.00%	100.00%	December 21, 2011
Divine Heritage Hotels Private Limited	India	100.00%	100.00%	August 9, 2012
Holiday on Hills Resorts Private Limited	India	100.00%	100.00%	October 25, 2012
Gables Promoters Private Limited	India	100.00%	100.00%	August 24, 2012
Infinity Hospitality Group Company Limited *	Thailand	49.00%	49.00%	November 5, 2012
MH Boutique Hospitality Limited *	Thailand	49.00%	49.00%	November 2, 2012
Jointly controlled entity				
Arabian Dreams Hotels Apartments LLC	Dubai	49.00%	49.00%	March 26, 2013

* By virtue of management control.

** The Company has divested entire shareholding held in these subsidiaries on 29th November, 2013.

The financial statements of other subsidiaries and jointly controlled entity used in the consolidation are drawn up to the same reporting date as that of the holding company.

1.3 Principles of Consolidation

The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and

any unrealised gains or losses on the balances remaining within the group in accordance with Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements" notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

The difference between the cost of investment in the subsidiaries over the Company's portion of equity of the subsidiary on the date of investment is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

Goodwill on consolidation is tested for impairment on an annual basis.

The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. Also Refer note 2 (ii).

The Company's interest in the Jointly Controlled entity is consolidated as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures", on a line-by-line basis by adding together the book values of assets, liabilities, income and expenses, after eliminating the unrealized profits/losses on intra group transactions.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

2 Significant Accounting Policies

(i) Basis for preparation of accounts:

The consolidated financial statements of Mahindra Holidays & Resorts India Limited ("the Company") and its subsidiaries 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 (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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.

Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and

liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(ii) Fixed assets:

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

Depreciation is calculated on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for the following categories of assets:

- (a) Leasehold land and buildings are amortised over the period of lease.
- (b) Floating cottages grouped under building are depreciated over the useful life of 25 years.
- (c) Furniture and Fixtures in 'Club Mahindra Holiday World' are amortised over a period of 36 months from the date of capitalisation.
- (d) Motor vehicles provided to employees are depreciated over a period of 48 months. Other assets provided to employees are depreciated over a period of 60 months.
- (e) Intangible assets representing 'vacation ownership' is amortised over a period of 10 years.
- (f) Expenditure incurred towards software is amortised over a period of 36 months.
- (g) Expenditure on product design and development & web portal is amortised over the estimated useful life of the asset i.e. 3 / 4 years.
- (h) Non- compete fee is amortised over a period of 5 years.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

During the year, Divine Heritage Hotels Private Limited and Holiday on Hills Resorts Private Limited changed the method of depreciation from written down value method to straight line method with retrospective effect, to be in line with the Company's depreciation policy. Consequently, profit for the year is higher by ₹ 750.76 lakhs.

(iii) Expenditure during construction period:

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

(iv) Inventories:

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

(v) 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.

(vi) Revenue recognition:

- (a) The Company's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on a deferred payment basis. Admission fee, which is non-refundable, is recognized as income on admission of a member. Entitlement fee (disclosed under Advance towards Members facilities), which entitles the vacation ownership member for

the vacation ownership facilities over the membership usage period, is recognized as income equally over the usage period. Requests for cancellation of membership is accounted for when it is accepted by the Company. In respect of instalments considered doubtful of recovery by the management, the same is treated as a cancellation and accounted for accordingly.

- (b) Annual subscription fee dues from members are recognised as income on an accrual basis.
- (c) Interest on instalment sales is recognised as income on an accrual basis.
- (d) Income from resorts includes income from room rentals, food and beverages, etc. and is recognised when services are rendered.
- (e) Securitised assets are derecognised as the contractual rights therein are transferred to the third party. On being derecognised, the excess of consideration received over the principal amounts of receivable from members (net of reversals in respect of cancelled members) is recognised as income from Securitisation.
- (f) Income from travel services includes commission on tickets/hotel booking, service charges from customers, etc. and is recognised when services are rendered.
- (g) Income from home stays is recognized when services are rendered.
- (h) Interest income from loans is accounted on time proportion basis and dividend income from mutual funds is accounted as and when right to receive is established.

(vii) Foreign currency transactions and translations:

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

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the statement of profit and loss. In case of non

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

integral operations the exchange differences are accounted under Foreign Currency Translation Reserve and is recognised as profit or loss in the same period in which the gain or loss on disposal of net investment is recorded.

(viii) Employee benefits:**(a) Short term employee benefit plans**

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

(b) Long term employee benefit plans

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

Defined Contribution Plan

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

Defined Benefit Plan

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

and reductions in future contributions to the schemes.

(ix) Taxes on income:

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Tax expense comprises both current and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date.

(x) Share issue expenses:

Expenses incurred in connection with issue of share capital are adjusted against securities premium account.

(xi) Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as expenses in the period in which they are incurred.

(xii) Impairment of assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists the recoverable amount of such asset is estimated and impairment is recognised, if the carrying amount of these assets exceed their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present values based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in the case of re-valued asset.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(xiii) 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.

(xiv) Cash flow statements:

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

(xv) Provision & contingencies:

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

(xvi) Earnings per share:

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

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xvii) Leases:

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

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

(xviii) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(xix) Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no reasonable certainty in availing / utilising the credits.

(xx) Operating cycle:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 3 : SHARE CAPITAL

In ₹

	As At March 31, 2014	As At March 31, 2013
Authorised :		
100,000,000 equity shares of ₹ 10 each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up :		
Equity : (Net of shares issued to ESOP Trust but not allotted to employees)		
84,639,772 (previous year 84,639,772) equity shares of ₹ 10 each fully paid (of the above 66,585,642 (previous year 66,585,642) equity shares are held by the holding company, Mahindra & Mahindra Limited)	846,397,720	846,397,720
Add: 4,141,084 (previous year NIL) shares issued during the year through Institutional Placement Programme. (note 39)	41,410,840	-
Less: 756,683 (previous year 758,888) equity shares of ₹ 10 each fully paid up issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust but not exercised by employees.	7,566,830	7,588,880
	880,241,730	838,808,840

Notes:

- 3 a) The above includes 48,995,228 equity shares allotted as fully paid-up by way of Bonus shares by capitalisation of balance in Statement of Profit & Loss and General Reserve on November 24, 2007 in the ratio of 5 equity shares for every 3 shares held.
- 3 b) Terms / rights attached to equity shares:
- The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.
 - The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.
 - For the year ended March 31, 2014, the amount of dividend proposed to be distributed to equity shareholders is ₹ 355,123,424 at ₹ 4 per share (Previous year ₹ 355,123,424 at ₹ 4 per share).
 - Repayment of capital will be in proportion to the number of equity shares held.
- 3 c) Shares in the company held by each shareholder holding more than 5% shares specifying the number of shares held.

Name of share holder	No of shares	% held as at March 31, 2014	No of shares	% held as at March 31, 2013
Mahindra & Mahindra Limited (Holding Company)	66,585,642	75.00%	66,585,642	78.67%

- 3 d) The reconciliation of the number of shares outstanding as at March 31, 2014 and March 31, 2013 is set out below:-

Particulars	As at March 31, 2014		As at March 31, 2013	
	(Shares)	(In ₹)	(Shares)	(In ₹)
No of Shares at the beginning	83,880,884	838,808,840	83,845,604	838,456,040
Add: Shares issued - pursuant to an Institutional Placement Programme (IPP)	4,141,084	41,410,840	-	-
Add: Shares issued on exercise of employee stock options	2,205	22,050	35,280	352,800
Number of shares at the end	88,024,173	880,241,730	83,880,884	838,808,840

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- i) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	Equity settled option plan administered through Employee Stock Option Trust.
Method of Settlement	By issue of shares at Exercise Price.

Grant	Grant I	Grant II	Grant III	Grant V **	Grant VI #	Grant VII ##	Grant VIII **	Grant IX **
Date of Grant	15/07/2006	30/03/2007	1/11/2007	1/11/2008	21/02/2012	21/02/2012	21/02/2013	29/01/2014
Exercise Price (In ₹)	16.00	52.00	52.00	52.00	370.00	323.00	323.00	253.00
Average Exercise Price(after bonus issue) (In ₹)	6.00	19.50	19.50	52.00	-	-	-	-
Vesting Period in Years	5	4	4	4	4	4	4	4
Number of Options Granted	759,325	122,235	56,700	261,590	400,000	186,500	130,000	35,000
Contractual life	6 years from the date of grant.	5 years from the date of each vesting.						
Vesting Conditions	Refer note (a) below	25% each on expiry of 12, 24, 36 and 48 months from the date of grant.						
No. of options exercisable in each tranche	Minimum of 25 and a maximum of all options vested till that date.							

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

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

Particulars	Grant I (15/07/2006)	Grant II (30/03/2007)	Grant III (1/11/2007)	Grant V ** (1/11/2008)	Grant VI # (21/02/2012)	Grant VII ## (21/02/2012)	Grant VIII ** (21/02/2013)	Grant IX ** (29/01/2014)	Total
Options outstanding as on 1.4.2013	-	5,265	4,253	23,751	400,000	186,500	130,000	-	749,769
Options granted	-	-	-	-	-	-	-	35,000	35,000
Options vested during the year	-	-	-	-	100,000	20,375	32,500	-	152,875
Options exercised during the year	-	-	-	2,205	-	-	-	-	2,205
Options lapsed during the year	-	1,530	19	630	200,000	78,750	-	-	280,929
Options outstanding as on 31.03.2014	-	3,735	4,234	20,916	200,000	107,750	130,000	35,000	501,635
Options vested but not exercised	-	3,735	4,234	20,916	200,000	67,000	32,500	-	328,385

** Issued out of lapsed options.

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

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

- iii) In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the shares allotted to the trust including bonus shares but not exercised by the employees have been reduced from the share capital by ₹ 7,566,830 and securities premium account reduced by ₹ 145,499,758. The said shares will be added to the issued share capital as and when the trust issues the shares to the concerned persons on their exercising the option and till such shares are issued the amount received from the trust is disclosed under current liabilities.
- iv) The company has adopted the intrinsic value method in accounting for employee cost on account of ESOS for grant I, to III and V. For grant VI, VII, VIII & IX fair value method adopted. The intrinsic value of the shares granted under grant I to V based on the valuations obtained from an independent valuer is ₹ 16 per equity share as on 31st March, 2006, ₹ 52 per equity share as on 1st January, 2007, 31st August, 2008 and 1st November, 2008, based on the Discounted

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Cash Flow Method. The fair value of the shares granted under grant VI, VII, VIII & IX is based on the fair value market price is ₹ 370, ₹ 323, ₹ 323 and ₹ 253 per share respectively. As the difference between the intrinsic value/fair value and the exercise price per share is ₹ Nil, no employee compensation cost has been charged.

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

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

Had the company adopted the fair value method in respect of options granted, the total amount that would have been amortised over the vesting period is ₹ 10,383,964 and the impact on the financial statements would be:

In ₹

	Years ended	
	Mar 31, 2014	Mar 31, 2013
Increase in employee compensation cost	1,026,858	2,076,793
Decrease in profit after tax	1,026,858	2,076,793
Decrease in basic & diluted earnings per share	(0.01)	(0.02)

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

Particulars	Grant dated 15th July, 2006	Grant dated 30th March, 2007	Grant dated 1st November, 2007	Grant dated 1st November, 2008	Grants dated 21st February, 2012	Grants dated 21st February, 2013	Grants dated 29st January, 2014
Risk free interest rate	7.82%	7.92%	7.72%	7.34%	8.00%	7.78%	8.81%
Expected life	4.5	5	5	5	6	3.5	3.5
Expected volatility	Nil	Nil	Nil	Nil	0.33	0.31	0.29
Expected dividend yield	Nil	Nil	Nil	Nil	₹ 4.00	1.38%	1.66%

Note 4 : Reserves & Surplus

In ₹

	As at March 31, 2014	As at March 31, 2013
Capital Reserve	1,474,577	1,474,577
General Reserve		
As per last balance sheet	594,642,245	487,749,290
Add : Transfer from Statement of Profit and Loss	94,534,667	106,977,695
Less : Bonus shares issued on exercise of stock options	-	84,740
	689,176,912	594,642,245
Securities Premium Account		
As per last balance sheet	1,720,261,044	1,577,361,044
Premium on shares issued during the year through Institutional Placement Programme	1,014,565,580	-
Premium on shares issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust	-	142,900,000
	2,734,826,624	1,720,261,044
Less: Share issue expenses on account of Institutional Placement Programme	30,877,883	-
Less: Premium on shares issued to Mahindra Holidays and Resorts India Limited Employees' Stock Option Trust but not allotted to employees	145,499,758	145,499,758
	2,558,448,983	1,574,761,286
Foreign Exchange Fluctuation Reserve		
As per last balance sheet	336,314	222,466
Add: Additions during the year	-	113,848
Less : Deduction due to sale of interest in subsidiary	336,314	-
	-	336,314

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 4 : Reserves & Surplus		
	As at March 31, 2014	As at March 31, 2013
		In ₹
Surplus in Statement of Profit & Loss		
As per last balance sheet	3,117,898,616	2,731,145,106
Profit for the current year	870,293,046	909,207,855
	3,988,191,662	3,640,352,961
Appropriations :		
Transfer to General Reserve	94,534,667	106,977,695
Proposed Dividend	355,123,424	355,123,424
Tax on Proposed Dividend	60,353,226	60,353,226
	510,011,317	522,454,345
	3,478,180,345	3,117,898,616
	6,727,280,817	5,289,113,038

Note 5 : Long Term Borrowings

	As at March 31, 2014	As at March 31, 2013
		In ₹
Secured :		
- Term loan from bank	203,266	53,526,925
	203,266	53,526,925

Note

The vehicle loan of Holiday on Hills Resorts Private Limited of ₹ 203,266 (Previous Year ₹ 442,128) is secured by way of hypothecation of vehicle."

The loan balance in the previous year includes loan taken by BAH Hotelanlagen AG secured by way of mortgage of buildings. Consequent to the disposal of the subsidiary the balance in the current year is ₹ Nil.

Note 6 : Deferred Tax Liability (net)

	As at March 31, 2014	As at March 31, 2013
		In ₹
Deferred tax asset		
Provision for doubtful receivables	3,344,993	645,484
Provision for compensated absences	14,517,169	12,564,040
Others	17,103,041	11,993,047
	34,965,203	25,202,571
Deferred tax liability		
Difference between book and tax depreciation	624,796,469	437,179,857
Deferred tax liability (net)	589,831,266	411,977,286

Note 7 : Other Long Term Liabilities

	As at March 31, 2014	As at March 31, 2013
		In ₹
Payables on purchase of fixed assets	71,077,452	54,022,941
	71,077,452	54,022,941

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 8 : Long Term Provisions

In ₹

	As at March 31, 2014	As at March 31, 2013
Gratuity	604,451	544,995
Compensated absences	41,004,690	40,700,289
	41,609,141	41,245,284

Note 9 : Short Term Borrowings

In ₹

	As at March 31, 2014	As at March 31, 2013
Secured :		
Loans repayable on demand - from Banks	29,465,804	19,890,346
	29,465,804	19,890,346

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

Note 10 : Trade Payables

In ₹

	As at March 31, 2014	As at March 31, 2013
Trade Payables :		
Total outstanding dues to micro and small enterprises	-	-
Others	949,513,892	825,355,464
	949,513,892	825,355,464

Note 11 : Other Current Liabilities

In ₹

	As at March 31, 2014	As at March 31, 2013
Unpaid dividend	180,456	114,388
Amounts received from ESOP Trust	150,023,708	150,045,758
Dues to Statutory Authorities (PF,ESI & other taxes)	54,968,314	69,170,059
Unearned Revenue	699,598,203	553,703,963
Other payables	494,337,246	447,837,980
Gratuity	7,107,076	10,649,728
Commission payable to non - whole time directors	10,000,000	9,000,000
Payables on purchase of fixed assets	48,585,689	77,742,878
Current maturities of long term loan	-	15,624,743
	1,464,800,692	1,333,889,497

Note 12 : Short Term Provisions

In ₹

	As at March 31, 2014	As at March 31, 2013
Compensated absences	2,181,818	4,546,540
Proposed Dividend	355,123,424	355,123,424
Tax on Proposed Dividend	60,353,226	60,353,226
	417,658,468	420,023,190

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 13 : Fixed Assets

In ₹

Description of Assets	Gross block (at cost)				Depreciation/Amortisation				Net block		
	As at April 1, 2013	Additions	Deductions/ Adjustments	As at March 31, 2014	As at April 1, 2013	Additions on account of acquisitions	For the Year	Deductions/ Adjustments	As at March 31, 2014	As at March 31, 2014	As at Mar 31, 2013
A : Tangible Assets											
Land	1,449,190,916	75,010,520	69,999,253	1,454,202,183	-	-	-	-	1,454,202,183	1,449,190,916	1,449,190,916
Land - Leasehold	1,016,966,757	82,800,000	-	1,449,190,916	-	-	8,726	-	1,449,190,916	741,832	750,558
Buildings	3,751,023,936	1,753,573,584	265,709,985	5,238,887,535	487,306,253	-	8,726	83,509,010	4,773,382,056	750,558	759,284
Buildings - Leasehold	3,193,811,084	480,170,582	-	3,751,023,936	293,125,386	114,623,842	61,708,236	487,306,253	3,263,717,683	4,748,679	3,263,717,683
Buildings - Leasehold	15,608,588	-	-	15,608,588	10,204,187	-	655,722	-	10,859,909	5,404,401	5,404,401
Plant and Equipments	1,241,415,336	471,801,847	81,521,560	1,631,695,623	8,316,084	-	1,888,103	46,815,487	1,189,699,353	5,404,401	729,250
Furniture and Fittings	1,120,124,555	107,681,404	16,572,921	1,241,415,336	298,474,091	14,805,445	83,976,828	12,651,963	856,810,935	856,810,935	821,650,464
Vehicles	927,001,898	345,719,759	5,087,656	1,267,634,001	484,091,449	-	99,048,187	4,572,950	689,067,315	442,910,449	419,260,577
Office Equipment	824,219,755	25,946,326	5,858,909	927,001,898	404,959,178	11,135,038	70,515,302	2,518,069	442,910,449	58,027,229	39,780,639
Sub Total A	7,654,075,139	2,704,046,339	442,788,241	9,915,333,237	1,525,174,021	-	283,409,755	153,409,292	8,260,158,753	6,128,901,118	6,128,901,118
Previous Year	6,407,418,764	896,658,484	23,684,967	7,654,075,139	1,140,062,377	149,121,250	252,731,608	16,741,214	6,128,901,118	5,267,356,387	5,267,356,387
B : Intangible Assets											
Software	101,999,855	302,682,188	84,826	404,597,217	69,906,314	-	108,607,358	83,894	226,167,439	32,093,541	32,093,541
Development Expenditure	65,911,908	35,949,568	34,093,840	101,999,855	54,127,216	3,927,386	15,203,982	3,352,270	69,906,314	32,093,541	11,784,692
Non-Complete Fees	38,540,065	-	-	38,540,065	38,540,065	-	-	-	38,540,065	-	-
Vacation ownership weeks	38,540,065	-	-	38,540,065	37,904,313	-	635,752	-	38,540,065	-	635,752
Sub Total B	20,000,000	-	-	20,000,000	18,432,877	-	1,567,123	-	20,000,000	-	1,567,123
Previous Year	20,000,000	-	-	20,000,000	14,432,877	-	4,000,000	-	18,432,877	1,567,123	5,567,123
TOTAL (A+B)	6,538,097,675	3,006,728,527	442,873,067	9,915,333,237	1,525,174,021	153,409,292	283,409,755	153,409,292	8,260,158,753	6,128,901,118	6,128,901,118
Previous Year	130,678,911	34,232,219	34,093,840	166,766,858	112,691,344	3,927,386	19,839,734	3,352,270	33,660,664	17,987,567	17,987,567
Total Previous Year	6,538,097,675	3,006,728,527	442,873,067	9,915,333,237	1,525,174,021	153,409,292	283,409,755	153,409,292	8,260,158,753	6,128,901,118	6,128,901,118

Note : Figures in italics are in respect of the previous year

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 14 : Non current investments

In ₹

	As at March 31, 2014	As at March 31, 2013
Long term Investments (At Cost, Un-Quoted) :		
Investment in Equity Shares (non trade, fully paid up)		
Mahindra World City Developers Ltd. (1 equity share of ₹ 10 each.)	10	10
Mahindra Hotels and Resorts Limited (20,011 shares of ₹ 10 each acquired during the year)	1	-
Investment in Preference Shares (non trade fully paid up)		
Guestline Hospitality Management and Development Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10 each.)	250,000	250,000
	250,011	250,010
Aggregate value of unquoted investments	250,011	250,010

NOTE:

- The preference shares of Guestline Hospitality Management and Development Services Limited will be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz 14th January, 2003.
- The preference shares of Guestline Hospitality Management and Development Services Limited shall at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.

Note 15 : Long Term Loans & Advances (Unsecured, considered good)

In ₹

	As at March 31, 2014	As at March 31, 2013
Capital advances	355,877,862	278,170,833
Security deposits	355,235,493	345,838,247
Payments towards Income Tax (net of provisions)	935,680,262	816,156,704
	1,646,793,617	1,440,165,784

Note 16 : Other Non-Current Assets (Unsecured, considered good)

In ₹

	As at March 31, 2014	As at March 31, 2013
Long Term Trade receivables due for payment after one year	3,844,171,488	3,296,266,068
	3,844,171,488	3,296,266,068

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 17 : Current investments

In ₹

Investment in Mutual Funds (unquoted)	As At March 31, 2014 Units	As At March 31, 2014 Value	As At March 31, 2013 Units	As At March 31, 2013 Value
Units :				
Birla Sun Life Cash Plus - Reg - Dly Dividend	1,671	3,522,513	-	-
Birla Sun Life Savings Fund	1,342	34,616	40,307	4,034,502
DWS Insta Cash Plus Fund - Super IP - Dly Dividend	1,242	1,364,159	-	-
Tata Treasury Manager Fund Plan A-DDRE	-	-	1,542	1,556,202
ICICI Prudential Flexible Income Plan Premium	-	-	242,083	25,596,646
ICICI Prudential Ultra Short Term - Reguar Plan-DDRE	4,219	27,157,515	-	-
IDFC Ultra Short Term Fund - Reg - Dly Dividend	26,325	36,823,427	-	-
JM Money Manager Fund Super Plus Plan - Daily Dividend	-	-	2,163,849	21,651,475
Kotak Liquid Scheme - Plan A - Dly Dividend	116	3,417,235	-	-
Kotak Floater Long Term Daily Dividend	17,388	20,175,266	-	-
UTI Treasury Advantage Fund - IP - Dly Dividend	228	1,609,503	-	-
Kotak Flexi Debt Scheme Inst DDRE	-	-	2,548,297	25,604,019
Sundaram Money Fund - Reg - Dly Dividend	16,052	3,475,697	-	-
Templeton India Ultra Short Bond Fund - Super IP - Dly Dividend	29,318	22,876,495	-	-
Templeton India TMA - Super IP - Dly Div	192	6,189,781	-	-
TTMSHD Tata Treasury Manager SHIP DDRE	-	-	23,555	23,797,707
		126,646,207		102,240,551
Aggregate value of unquoted investments		126,646,207		102,240,551

Note 18 : Inventories (At lower of cost & net realisable value)

In ₹

	As at March 31, 2014	As at March 31, 2013
Stores		
Food, beverages and smokes	12,255,511	22,135,252
Operating supplies	90,519,022	50,173,328
	102,774,533	72,308,580

Note 19 : Trade Receivable (Unsecured)

In ₹

	As at March 31, 2014	As at March 31, 2013
Trade Receivables outstanding for more than six months from the date they are due for payment		
Considered good	2,998,227,707	2,920,934,735
Considered doubtful	11,325,177	3,383,109
Less; Allowance for trade receivables	11,325,177	3,383,109
	2,998,227,707	2,920,934,735
Others	5,448,066,921	3,357,042,461
	8,446,294,628	6,277,977,196

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 20 : Cash & Cash equivalents

In ₹

	As at March 31, 2014	As at March 31, 2013
Cash on hand	13,779,470	3,149,943
	<u>13,779,470</u>	<u>3,149,943</u>
Balances with Banks		
Current accounts	229,098,499	414,880,286
Deposit account - with maturity of less than 3 months	205,264,588	-
Deposit account - others	2,503,902	3,250,216
Earmarked accounts		
Margin money deposits	32,404,677	30,576,458
Unpaid dividend accounts	257,032	114,388
	<u>469,528,698</u>	<u>448,821,348</u>
	<u>483,308,168</u>	<u>451,971,291</u>

Note 21 : Short Term Loans & Advances (Unsecured, considered good)

In ₹

	As at March 31, 2014	As at March 31, 2013
Inter corporate deposits, loan & advances to joint venture	26,707,557	-
Claims Receivable	40,592,139	101,075,975
Loan to ESOP Trust	125,000,000	128,000,000
Balances with Statutory Authorities	92,692,279	86,380,262
Advances to Suppliers	163,594,607	156,920,976
Loans and advances to Employees	15,321,460	18,875,214
Prepaid Expenses	50,973,056	91,668,156
Other advances	-	1,417,733
	<u>514,881,098</u>	<u>584,338,316</u>

Note 22 : Other Current Assets

In ₹

	As at March 31, 2014	As at March 31, 2013
Interest accrued on Inter corporate deposits, loans and advances :		
Others	5,663,470	665,083
	<u>5,663,470</u>	<u>665,083</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 23 : Revenue from Operations

In ₹

	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations :		
Income from operations :		
Income from sale of vacation Ownership	4,826,007,078	4,460,680,941
Income from Resorts :		
- Room rentals	358,008,909	342,707,473
- Food and beverages	788,079,632	634,582,327
- Wine and liquor	32,441,418	28,458,422
- Others	287,988,585	282,630,231
Annual Subscription Fee	1,327,343,011	1,137,975,192
Income from travel services & home stays	66,935,150	57,415,802
	7,686,803,783	6,944,450,388
Other Operating Income :		
Interest Income on Instalment sales	455,981,405	304,738,652
Income from securitization (refer note 28)	3,776,696	116,132,195
Miscellaneous income	17,146,831	20,350,352
	476,904,932	441,221,199
	8,163,708,715	7,385,671,587

Note 24 : Other Income

In ₹

	Year ended March 31, 2014	Year ended March 31, 2013
Dividend income from current investments	37,411,294	51,955,889
Interest income:		
On deposits with bank	24,462,220	-
On others	2,724,613	2,720,814
Gain on exchange fluctuation (net)	4,901,933	-
Gain on sale of investment in Subsidiaries (Refer Note -36)	69,846,116	-
	139,346,176	54,676,703

Note 25 : Employee benefits expense

In ₹

	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, wages and bonus	1,709,121,866	1,479,971,690
Contribution to Provident & other funds	77,258,242	62,236,399
Staff welfare	96,362,652	65,567,873
	1,882,742,760	1,607,775,962

Note 26 : Finance costs

In ₹

	Year ended March 31, 2014	Year ended March 31, 2013
Interest on short term borrowings	10,795,362	23,690,873
	10,795,362	23,690,873

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Note 27 : Other expenses

In ₹

	Year ended March 31, 2014		Year ended March 31, 2013	
Food Beverages and smokes Consumed:				
Opening Stock	22,135,252		10,326,539	
Add: Purchases	285,087,333		244,765,433	
	307,222,585		255,091,972	
Less: Closing Stock	12,255,511		22,135,252	
		294,967,074		232,956,720
Operating Supplies		388,392,488		267,377,015
Power and fuel		301,493,318		240,342,663
Rent (including lease rentals)		576,295,307		455,250,744
Rates and taxes		48,779,497		31,979,344
Insurance		21,786,970		14,762,314
Repairs and maintenance :-				
- Buildings and resort renovation		129,921,886		121,721,011
- Office Equipment		31,284,802		18,196,298
- Others		140,945,456		89,162,838
Communication		78,073,904		76,689,943
Software Charges		19,079,519		29,001,032
Consultancy charges		130,057,948		111,849,009
Advertisement		87,338,011		102,633,594
Sales commission		255,321,771		329,553,316
Sales promotion expenses		1,400,679,802		1,307,557,010
Discounts		176,482,408		102,541,759
Travelling		201,416,213		181,892,754
Service Charges		147,546,223		175,381,936
Bad debts		1,886,810		-
Provision for doubtful debts		7,942,068		492,288
Auditors' remuneration includes:				
Audit fees		3,500,000		3,500,000
Other services		7,120,000		1,050,000
Reimbursement of expenses/levies		12,441		-
Director's fees		1,025,000		700,000
Commission to non whole time directors		10,000,000		9,000,000
Loss on exchange fluctuation (net)		-		15,028,590
Loss on fixed assets sold/Writeoff (net)		3,295,302		3,924,498
Bank Charges		65,170,984		61,134,071
Miscellaneous		149,109,205		124,800,229
		4,678,924,407		4,108,478,976

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

28 Securitisation

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

In ₹

	Year ended March 31,	
	2014	2013
Value of Accounts receivable	603,524,597	2,934,934,145
Less: Future interest receivable	131,965,238	651,517,010
Principal amount of receivables	471,559,359	2,283,417,135
Consideration received	500,000,000	2,450,000,000
Profit on securitisation	28,440,641	166,582,865
Less: Reversals in respect of cancelled members	24,663,945	50,450,670
Income from securitisation	3,776,696	116,132,195

29 Contingent Liabilities

In ₹

	As at March 31,	
	2014	2013
(A) Receivables securitised, with recourse. Certain specified Receivables have been securitised with a bank for availing finance. In case a member defaults in payment to the bank, the bank would have recourse to the company. In such cases, the Company has recourse to the customer.	2,689,790,487	3,844,877,592
(B) Claims against the Company not acknowledged as debts		
1) Luxury tax claimed on membership, room revenue and other services provided to members, which has been disputed by the Company.	74,671,145	72,350,714
2) Service tax demands for various years disputed by the Company.	638,770,100	589,846,508
3) Income tax matters		
(a) Time share income		
i) The Income Tax Department's appeal against the orders of the CIT(A) for the assessment years 1998-99 to 2003-04 and 2005-06 to 2009-10 in respect of issues relating to revenue recognition, was decided in favour of the Company by the Appellate Tribunal. Amount under dispute was ₹ 2,710,025,658 (including interest of ₹ 676,551,721).		
ii) For the assessment years 2004-05, 2010-11 & 2011-12, the Company's appeal is pending with CIT(A). The amount of demand is ₹ 1,824,923,160/- (including interest of ₹ 475,881,114/-)		
(b) Other matters disputed which are timing differences Demand raised on account of disallowance of expenditure during construction, software expenses, website development expenses, renovation expenses and Project design cost ₹ 160,641,473/- (including interest of ₹ 36,348,559/-). As at March 31, 2013 ₹ 142,707,705 (including interest of ₹ 32,469,862).		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Contingent Liabilities (Contd.)

In ₹

	As at March 31,	
	2014	2013
<p>However even if these liabilities crystallise, there would be future tax benefits available on account of timing differences, except on the outcome of the appeals</p> <p>(c) Other disallowances (including interest of ₹ 26,616,570) (as at March 31, 2012 ₹ 43,757,139)</p> <p>Interest on other disallows included in the contingent liability is ₹ 30,254,625 (as at March 31, 2013 ₹ 26,616,570)</p> <p>The above are exclusive of consequential effect of similar matters in respect of the assessments remaining to be completed.</p> <p>The above amounts are based on demands raised, which the company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.</p>	123,079,473	115,055,341

(d) Other matters under appeal

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

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

- (ii) The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 12.56 Crores as damages for termination of the Contract. The Company has made a counter claim of ₹ 20.03 Crores towards liquidated damages and other losses. The matter is pending before the Arbitrator.
- (iii) The Regional Provident Fund Commissioner, Chennai had issued Summons initiating proceedings under Section 7A of the Employees Provident Fund Act for failing to remit contributions on allowances relating to employees for the period from March 2011 to February 2013 in respect of indian employees and from April 2010 to February 2013 in respect of international employees. The PF Authorities have made a claim of ₹ 1.89 Crores. The Company has filed a Writ Petition No 2408/2014 before the Madras High Court and the Court has granted an Interim stay of the above proceedings.

30 Capital commitments

In ₹

	As at March 31,	
	2014	2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	369,926,295	422,275,060

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

31 Operating lease disclosures - BAH Hotelanlagen AG

In ₹

	As at March 31,		As at March 31,	
	2014 EURO	2013 EURO	2014 ₹	2013 ₹
Future minimum lease payments				
Not later than one year	-	1,457.88	-	101,308
Later than one year and not later than five years	-	7,289.40	-	506,540

32 Employee Benefits

The following table sets out the status of the defined benefit scheme of the Company and its subsidiaries wherever applicable.

In ₹

Gratuity	As at March 31,	
	2014	2013
a. Net Asset / (Liability) recognized in the balance sheet		
Present value of funded obligation	28,745,921	28,299,695
Fair value of plan assets	21,034,394	17,104,972
Net asset/ (Liability)	(7,711,527)	(11,194,723)
b. Expense recognized in the Statement of profit and loss		
Current service cost	8,939,347	9,245,169
Interest cost	2,137,525	1,436,472
Expected return on plan assets	(1,694,432)	(1,320,484)
Actuarial (gains) / losses	(6,896,326)	1,546,398
Total expense	2,486,114	10,907,555
c. Change in present value of obligation		
Present value of defined benefit obligation as at the beginning of the year	28,299,695	19,439,721
Current service cost	8,939,347	9,245,169
Interest cost	2,137,525	1,436,469
Actuarial (gains) /losses	(6,890,804)	1,519,124
Benefits paid	(3,739,842)	(3,340,788)
Present value of defined benefit obligation as at the end of the year	28,745,921	28,299,695
d. Change in fair value of plan assets		
Plan assets at the beginning of the year	17,104,972	12,655,898
Expected return on plan assets	1,694,433	1,320,484
Actuarial gains /(losses)	5,522	(27,274)
Contributions by employer	5,812,912	6,496,652
Benefits paid	(3,583,445)	(3,340,788)
Plan assets at the end of the year	21,034,394	17,104,972
e. Principal actuarial assumptions		
1 Discount rate	9.00% to 9.15%	8.00%
2 Expected return on plan assets	9.30%	9.30%
3 Mortality table	IALM (2006-2008) ULT	IALM (2006-2008) ULT
f	Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.	
g	In respect of the subsidiaries the defined benefit scheme is not funded.	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

h.	Experience Adjustment to the extent provided by actuary:	As at March 31,					In ₹
		2014	2013	2012	2011	2010	
	Present value of defined benefit obligation	28,745,921	27,910,215	19,152,550	15,398,391	12,978,631	
	Fair value of the Plans	21,034,394	17,104,972	12,655,898	13,579,177	13,870,609	
	Surplus / (Deficit)	(7,711,527)	(10,805,243)	(6,496,652)	(1,819,214)	891,978	
	Experience adjustment on plan liabilities	(15,263,749)	47,436	56,790	-	-	
	Experience adjustment on plan assets	5,522	1,923,330	1,923,330	-	-	
i.	In the absence of the relevant information from the actuary/insurer, the above details do not include the composition of plan assets and the estimated amount of contribution in the immediate next year.						

33 Segment Reporting:

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

In ₹

Secondary Segment Information:	As at March 31,	
	2014	2013
Domestic		
Sales	7,582,773,573	6,829,684,077
Segment assets	23,222,736,528	19,958,760,681
Capital expenditure incurred during the year	1,255,941,993	1,954,555,494
Overseas		
Sales	104,030,210	114,766,311
Segment assets	147,536,654	96,426,580
Capital expenditure incurred during the year	91,036	2,549,516
Total		
Sales	7,686,803,783	6,944,450,388
Segment assets	23,370,273,182	20,055,187,261
Capital expenditure incurred during the year	1,256,033,029	1,957,105,010

34 Earnings per share:

	As at March 31,	
	2014	2013
Net profit after tax (in ₹)	870,293,046	909,207,855
Weighted average number of Equity Shares used in computing basic earnings per share (Nos)	87,898,313	83,867,274
Weighted average number of Equity Shares used in computing diluted earnings per share (Nos) on account of ESOP	87,915,815	83,889,749
Earnings Per Share – Basic (in ₹)	9.90	10.85
Earnings per share – Diluted (in ₹)	9.90	10.84
Nominal value of shares (in ₹)	10.00	10.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

35 Goodwill on consolidation:

In ₹

	As at March 31,	
	2014	2013
Opening Balance	1,458,440,867	680,959,412
Add: On acquisition/ additional investment in subsidiaries/ jointly controlled entity	14,242,727	777,481,455
Less: On disposal of subsidiary	(45,521,974)	-
Closing Balance	1,427,161,620	1,458,440,867

36 The effect of acquisition disposal of subsidiaries

On November 29, 2013, the company has divested the entire shares held in its subsidiaries, BAH Hotelanlagen AG and MHR Hotel Management GmbH. The difference between the proceeds from disposal of investment in subsidiaries and net investment held in those companies as on the date of disposal have been recorded as gain on sale of investment in subsidiaries.

The effect of disposal of subsidiaries on the financial position and results as included in the Consolidated Financial Statements is given below:

In ₹

	2013-2014 Acquisition	2013-2014 Disposal	2012-2013 Acquisition	2012-2013 Disposal
Liabilities				
Non Current liabilities	-	70,314,703	724,123,477	-
Current liabilities	-	55,564,981	89,828,080	-
Assets				
Non Current Assets	-	311,488,805	874,161,729	-
Current Assets	-	30,596,070	62,856,787	-
Revenue	-	126,678,727	57,070,734	-
Expenses	-	152,199,141	100,075,190	-
Profit / (Loss) before tax	-	(25,520,414)	(43,004,456)	-
Profit / (Loss) after tax	-	(25,754,745)	(43,004,456)	-

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

In ₹

	As at March 31,	
	2014	2013
Value in foreign currency		
Receivables (in UAE Dirham)	8,783,464	6,241,226
Trade Payable (in UAE Dirham)	9,528	-
Value in INR		
Receivables	144,425,013	93,117,117
Payables	155,305	-

38 In June 2009, the Company made an Initial Public Offer of 58,96,084 equity shares of ₹ 10 each for cash at a premium of ₹ 290 per equity share, aggregating to ₹ 17,688.25 lacs of which ₹ 16,242.51 lacs were utilised for construction of resorts and ₹ 1,445.74 lacs towards issue expenses.

39 On April 12, 2013, the Company allotted 41,41,084 equity shares of ₹ 10 each for cash at a premium of ₹ 245 per equity share aggregating to ₹ 10,559.76 lakhs, pursuant to shares issued under an Institutional Placement Programme (IPP). Out of the total proceeds, the Company has spent ₹ 308.78 lakhs towards issue expenses, ₹ 7,313.68 lakhs towards capital expenditure and the balance has been invested in debt schemes of mutual funds/Fixed Deposits with Bank/ lying in bank account.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

40 Joint Venture Disclosure

Interest in assets, liabilities, income, expenses and capital commitment with respect to the Jointly controlled entity, Arabian Dreams Hotels Apartments LLC is as follows:

Particulars	2013-2014	2012-13
Liabilities :		
Short term borrowings	27,122,526	-
Other current liabilities	1,982,948	-
Assets :		
Long term loans and advances	900,534	-
Short term loans and advances	6,889,474	-
Trade receivables	4,914,385	189,386
Cash and cash equivalents	801,759	-
Income	54,673,821	1,055,353
Expenses	72,840,122	865,967
Contingent liabilities / Capital commitments	NIL	NIL

In ₹

41 Related Party Transactions:

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

A.	Holding Company	Mahindra & Mahindra Limited
B.	Fellow Subsidiaries with whom the company has transactions during the year	Mahindra Intertrade Limited Mahindra Consulting Engineers Limited Mahindra First Choice Wheels Ltd Mahindra First Choice Services Limited Mahindra Navistar Automotives Limited. Mahindra Reva Electric Vehicles Private Limited Mahindra Lifespace Developers Limited Mahindra Retail Private Limited Mahindra Two Wheelers Limited Mahindra Vehicle Manufacturers Limited Mahindra Shubhlabh Services Limited. Mahindra Automobile Distributor Private Limited Mahindra EPC Services Private Limited Mahindra Engineering Services Limited Mahindra Steel Service Centre Limited Mahindra Logistics Limited Bristlecone Inc. Bristlecone India Limited. Defence Land Systems India Private Limited EPC Industries Limited Mahindra Defence Systems Limited Mahindra Integrated Township Ltd Mahindra Integrated Business Solutions Private Limited Mahindra Solar One P Ltd. Mahindra Steel Services Centre Ltd Mahindra World City (Jaipur) Ltd Mahindra World City Developers Ltd
C.	Other entities under the control of the company	Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust
D.	Key Management Personnel	Mr Rajiv Sawhney (Managing Director & CEO)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(ii) Related Party Transactions and balances

	March 31,	
	2014	2013
Holding company		
Transactions for the year ended :		
Sale of services	485,998,501	494,025,127
Purchases of fixed assets	-	82,800,000
Purchase of services	70,659,156	65,620,000
Dividend paid	266,342,568	279,942,568
Balances as at :		
Outstanding: Payable	47,688,211	7,033,075
Outstanding: Receivable	73,019,356	64,142,088
Fellow Subsidiaries		
Transactions for the year ended :		
Sale of fixed assets:		
Mahindra First choice Wheels Limited	-	680,000
Sale of services:		
Mahindra Logistics Limited	-	42,667
Mahindra Intertrade Ltd	2,675,430	5,618,236
Mahindra Navistar Automotives Limited.	1,806,074	384,059
Mahindra First Choice Wheels Ltd	471,532	95,574
Mahindra First Choice Services Limited	-	471,299
Mahindra Lifespace Developers Ltd	4,400,232	2,947,469
Mahindra Reva Electric Vehicles Private Limited	101,316	403,382
Mahindra Retail Private Limited	-	172,309
Mahindra Two Wheelers Limited	4,341,991	431,235
Mahindra Vehicle Manufacturers Limited	-	283,859
Mahindra Shubhlabh Services Limited.	908,950	138,025
Mahindra Solar One P Ltd.	54,586	-
Mahindra Integrated Township Ltd	29,339	-
Mahindra World City Developers Ltd	1,956,406	-
Mahindra World City (Jaipur) Ltd	1,806,199	-
Mahindra Steel Service Centre Limited	84,296	-
Mahindra Defence Systems Limited	2,940,026	-
Bristlecone India Limited.	19,500	-
Bristlecone Inc.	308,682	-
Defence Land Systems India Private Limited	438,314	-
EPC Industrie Limited	21,901	-
Mahindra Consulting Engineers Limited	1,012,732	-
Mahindra EPC Services Private Limited	8,580,780	6,928,902

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	March 31,	
	2014	2013
Purchase of services:		
Mahindra Consulting Engineers Limited	-	208,500
Mahindra Logistics Limited	88,987	662,820
Mahindra Integrated Business Solutions Private Limited	250,000	-
Mahindra Defence Systems	310,000	-
Balances as at :		
Outstanding: Payable		
Mahindra Logistics Limited	-	3,519
Mahindra First Choice Wheels Ltd	-	386,726
Outstanding: Receivable		
Mahindra Lifespace Developers Ltd	402,834	752,012
Mahindra Consulting Engineers Limited	1,021,716	-
Mahindra Engineering Services Limited	515,839	825,800
Mahindra Intertrade Limited.	1,483,688	938,521
Mahindra Automobile Distributor Private Limited	-	-
Mahindra Shubhlabh Services Limited.	145,899	155,738
Mahindra EPC Services Private Limited	1,315,936	273,558
Mahindra Two Wheelers Limited	3,697,724	23,595
Mahindra First Choice Wheels Ltd	90,302	-
Mahindra World City Developers Ltd	25,173	-
Mahindra World City (Jaipur) Ltd	177,393	-
Mahindra Defence Systems Limited	1,704,000	-
Mahindra Navistar Automotives Limited.	516,730	-
Bristlecone India Limited.	19,500	-
Defence Land Systems India Pvt Ltd	439,910	-
Mahindra Reva Electric Vehicles Private Limited	-	173,510
Other entities under the control of the company		
Balances as at :		
Outstanding: Payable		
Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	150,023,708	150,045,758
Outstanding: Receivable		
Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	125,000,000	128,000,000
Key Management Personnel		
Transactions for the year ended :		
Managerial remuneration:		
Mr Rajiv Sawhney	28,886,988	24,320,437

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

42 Capital work in progress and expenditure during construction pending allocation included therein.

In ₹

	Year ended March 31,	
	2014	2013
Capital Work-in-progress	730,208,820	2,373,055,183
Expenditure during construction pending allocation included above :		
Salaries,Wages & Bonus	100,732,036	189,287,921
Staff welfare Expenses	1,042,167	2,929,987
Power & Fuel	204,397	3,547,017
Rent	539,627	2,650,292
Rates & Taxes	434,549	2,394,571
Repairs-Others	2,193,677	2,722,658
Travelling	18,203,344	37,541,608
Communication	2,095,479	4,502,894
Printing & Stationery	865,930	1,503,834
Insurance	15,074	29,932
Consultancy Charges	28,744,380	55,913,239
Freight	1,889,717	5,365,373
Interest - Others	4,477,769	16,145,664
Bank Charges	115,442	2,324,346
Miscellaneous	129,880	524,101
Total	161,683,468	327,383,437

- 43 During the year, the Board of Directors at their meeting held on 17th September, 2013, approved the Scheme of Amalgamation and Arrangement of Bell Tower Resorts Private Limited (wholly owned subsidiary) with the Company. The Scheme was approved by the Shareholders at the Court Convened Meeting held on 19th February, 2014. The appointed date under the Scheme is 1st April, 2013 and the Scheme will be effective upon the filing of certified copies of the orders of High Court of Madras and High Court of Bombay at Goa with respective Registrar of Companies. The Company has obtained the approval of High Court of Bombay at Goa, while the approval of High Court of Madras is awaited. Consequently no impact of the Scheme has been given in the financial statements for the year ended 31st March, 2014.
- 44 The Board of Directors at their meeting held on 29th January, 2014 has resolved to liquidate by way of voluntary dissolution of its wholly owned subsidiary Company in USA, Mahindra Holidays USA Inc., subject to requisite approval in USA. Accordingly the subsidiary is in the process of completing the voluntary dissolution formalities and the impact on account of this on the operation of the Company is not material.
- 45 The figures for the previous year have been regrouped/reclassified to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

A.K. NANDA
Chairman

CYRUS J. GUZDER
Director

S. KRISHNAN
Chief Financial Officer

DINESH SHETTY
Company Secretary

Place: Mumbai
Date: May 6, 2014

The Government of India, Ministry of Corporate Affairs, in exercise of the powers conferred under Section 212(8) of the Companies Act 1956, has vide its Order No. 47/191/2010-CL-III dated 25th March 2010 directed that the provisions contained in Section 212(1) of the Companies Act 1956, pursuant to which the balance sheet etc. of the subsidiaries are required to be attached to the Company's account shall not apply for the financial year ended March 31, 2014.

Information disclosed in accordance with the above order:

Particulars	NAME OF THE SUBSIDIARIES																					
	Mahindra Holidays and Resorts USA, Inc		MHR Hotel Management GmbH		Heritage Bird (M) Sdn Bhd		BAH Hotelanlagen AG		MH Boutique Hospitality Ltd		Infinity Hospitality Group Company Ltd		Bell Tower Resorts (P) Ltd		Mahindra Hotels and Residences India Ltd		Holiday on Hill Resorts (P) Ltd		Gables Promoters (P) Ltd		Divine Heritage Resorts (P) Ltd	
	INR	USD	INR	EURO	INR	MYR	INR	EURO	INR	THB	INR	THB	INR	THB	INR	INR	INR	INR	INR	INR	INR	INR
Capital	60,060	1,000	2,890,650	35,000	5,496,037	300,002	5,781,300	70,000	18,400,000	10,000,000	276,000,000	150,000,000	199,386,740	500,000	10,000,000	132,000,000	7000,000					
Reserves	7,002,457	116,591	2,101,477	25,445	(10,557,065)	(576,259)	312,359,929	3,782,055	(6,802,200)	(3,696,848)	(180,768,344)	(98,243,665)	(543,051,249)	(1,202,833)	(47,588,144)	(303,852)	(372,40,526)					
Total Assets	7,167,262	119,335	5,377,680	65,113	94,545,178	5,160,763	450,528,329	5,454,999	70,034,509	38,062,233	374,806,052	203,698,942	498,263,292	1,500	337,055,073	245,208,712	289,607,098					
Total Liabilities	7,167,262	119,335	5,377,680	65,113	94,545,178	5,160,763	450,528,329	5,454,999	70,034,509	38,062,233	374,806,052	203,698,942	498,263,292	1,500	337,055,073	245,208,712	289,607,098					
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover (incl other income)	-	-	3,662,358	44,344	16,443,116	897,550	125,253,783	1,516,573	86,152	46,822	63,291,992	34,397,822	101,601,411	-	59,048,438	-	19,194,615					
Profit/(Loss) before tax	(1,192,012)	(19,847)	(597,500)	(7,235)	56,041	3,059	(9,826,559)	(118,980)	(4,861,660)	(2,642,207)	(16,917,694)	(9,194,398)	(86,974,584)	(52,849)	12,093,692	(244,263)	(10,614,528)					
Provision for taxation	268,889	4,477	46,457	563	172,208	9,400	192,710	2,333	-	-	-	-	-	-	-	-	-					
Profit after tax	(1,460,901)	(24,324)	(643,957)	(7,797)	(116,167)	(6,341)	(10,019,269)	(121,313)	(4,861,660)	(2,642,207)	(16,917,694)	(9,194,398)	(86,974,584)	(52,849)	12,093,692	(244,263)	(10,614,528)					
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Translated at exchange rate prevailing as on March 31, 2013. 1 USD = INR 60.06, 1 EURO = INR 82.59, 1 MYR = INR 18.32, 1 THB = INR 1.84.

For and on behalf of the Board of Directors

A.K. NANDA
Chairman

S. KRISHNAN
Chief Financial Officer

CYRUS J. GUZDER
Director

DINESH SHETTY
Company Secretary

Place: Mumbai

Date: May 6, 2014

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