PRISTINE PEAKS BY CLUB MAHINDRA, NALDEHRA, HIMACHAL PRADESH

Varca, Goa

Saariselkä, Finland

Udaipur, Rajasthan

Manali, HP

HOLIDAY AT 100+ RESORTS IN INDIA AND ABROAD.

THE MAGIC NEVER STOPS.

Mahindra Holidays & Resorts India Limited | 24th Annual Report 2019-20

Contents

Chairman's Statement

Dear Shareholders,

Over the last 24 years, Mahindra Holidays has offered best-in-class, fully serviced holiday resorts that are backed by the highest standards of service excellence and, thus, created memorable holiday experiences for its members.

It gives me immense pleasure to share with you that your Company achieved two important milestones during the year. First, the vacation ownership member base of your Company has crossed the 2,50,000 landmark. And second, along with its material subsidiary, Holiday Club Resorts Oy (HCR), your Company now offers holidays at 100+ resorts in India and abroad.

Your Company's financial performance during the year was also creditable, with significant improvement in operating margins, and a higher profit before tax (PBT). All this despite the adverse impact of floods in the second quarter and COVID-19 crisis in March 2020, adding to the woes of a slowing Indian economy — with GDP growing at 4.2% in 2019-20 versus 6.1% in the previous year.

I would like to compliment the management for the performance in the financial year 2019-20.

Let me now move on to the challenges posed by the COVID-19 pandemic and what these mean for your Company.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The tourism and hospitality industry have been among the worst affected by the crisis. Operations of the resorts of HCR, Finland, were suspended around mid-March; and resort operations of Mahindra Holidays in India were suspended after the national lockdown was imposed by the Government of India on 25 March 2020.

As far as HCR is concerned, most of the resorts have resumed operations from the first week of June and are seeing good occupancies as the summer season begins in Finland. I expect this demand to continue, driven by both domestic travel and further opening up of travel within Europe.

The recent announcement by the Indian government to open the domestic commercial air traffic bodes well for the hospitality business. With the gradual easing of restrictions in inter-city / state travel, your Company has started opening up its resorts in line with the directives of the State Government authorities starting mid-June 2020. Your Company has also started opening sales offices across India in line with the directives of the local authorities.

As India emerges steadily from the lockdown, your Company is putting its best efforts to ensure safety and well-being of its members while offering the same warmth and the signature "Club Mahindra" experiences that they have cherished over the last two decades, at its resorts.

To achieve this, your Company has launched a "Safe Stay" program at its resorts. It has implemented best-in-class standard operating procedures (SOPs), and has rigorously trained its employees on implementing these guidelines. Moreover, your Company has also appointed Bureau Veritas — a global leader in testing and inspection — to certify the hygiene and sanitation protocols. In addition, its kitchens follow the FSSAI (Food Safety and Standards Authority of India) guidelines.

In the near term, I believe that domestic travel will be the key growth driver as members opt for holidays within drivable distances — something your Company is well positioned to serve with 60 resorts across the country. Large apartment sizes and the concept of villas in many of the resorts ensures better safety, this should increase the attractiveness of its membership for prospective customers. Your Company has also been quick to move to the "new normal" by going digital — both for customer acquisition and member servicing.

As I mentioned earlier, your Company performed well in the financial year 2019-20 despite headwinds. This was due to a resilient business model and predictability of revenues in the form of various annuities: a deferred revenue of over ₹ 5,500 crores which is recognised over the tenure of the membership, and a 250,000+ member base which contributes to revenues through holiday spends as well as the annual subscription. In addition, your Company has a strong balance sheet with zero debt and a healthy cash position.

All this will continue to help your Company to tide over the current crisis and take advantage of the strategic opportunities that may come its way.

In every crisis, there are those who suffer lasting setbacks and those who come out as winners. With its robust business model, excellent properties, best-in-class facilities; wide-ranging and stringent SOPs to deliver safe holidays and employees who are fully aligned to deliver value for its members and stakeholders, I am sure that your Company will emerge stronger from this crisis.

Therefore, despite the possible short-term impact of COVID-19, I continue to remain confident of the growth and continued profitability of your Company.

In the meanwhile, stay safe and stay healthy.

With my best wishes,

Arun Nanda
Chairman

June 25, 2020

Corporate Information

Board of Directors

Arun Nanda, Chairman

Cyrus Guzder

Rohit Khattar

Sridar Iyengar

Sanjeev Aga

Sangeeta Talwar
(appointed w.e.f. February 1, 2020)

V S Parthasarathy

Anish Shah (appointed w.e.f. May 9, 2020)

Kavinder Singh, Managing Director & CEO

Chief Financial Officer

Akhila Balachandar

General Counsel & Company Secretary

Dhanraj Mulki

Registered Office

Mahindra Towers, 2nd Floor, No. 17/18,
Patullos Road, Chennai – 600 002,
Tamil Nadu, India
T: +91 44 3988 1000 F: +91 44 3027 7778
E: investors@mahindraholidays.com
W: www.clubmahindra.com
CIN: L55101TN1996PLC036595

Corporate Office

Mahindra Towers, 1st Floor, 'A' Wing,
Dr. G.M. Bhosle Marg, P.K. Kurne Chowk,
Worli, Mumbai – 400 018, Maharashtra, India
T: +91 22 3368 4722 F: +91 22 3368 4721

Statutory Auditors

B S R & Co. LLP
Chartered Accountants
5th Floor, Lodha Excelus,
Apollo Mills Compound,
N M Joshi Marg, Mahalaxmi,
Mumbai – 400 011

Secretarial Auditor

M Siroya and Company
Company Secretaries
A-103, Samved Building (Madhukunj),
Near Ekta Bhoomi Gardens,
Rajendra Nagar, Borivali (E),
Mumbai - 400 066

Committees of Board of Directors

Audit Committee

Sridar Iyengar

Cyrus Guzder

Rohit Khattar

Sanjeev Aga

V S Parthasarathy

Nomination and Remuneration Committee

Cyrus Guzder

Arun Nanda

Rohit Khattar

Sridar Iyengar

Risk Management Committee

Cyrus Guzder

Sridar Iyengar

Sanjeev Aga

Kavinder Singh

Securities Allotment Committee

Arun Nanda

V S Parthasarathy

Kavinder Singh

Corporate Social Responsibility Committee

Arun Nanda

Cyrus Guzder

V S Parthasarathy

Kavinder Singh

Stakeholders Relationship Committee

Arun Nanda

Cyrus Guzder

V S Parthasarathy

Kavinder Singh

Inventory Approval Committee

Arun Nanda

Cyrus Guzder

Kavinder Singh

Strategy and Review Committee

Arun Nanda

Cyrus Guzder

Rohit Khattar

Sanjeev Aga

Kavinder Singh

Registrar and Transfer Agent

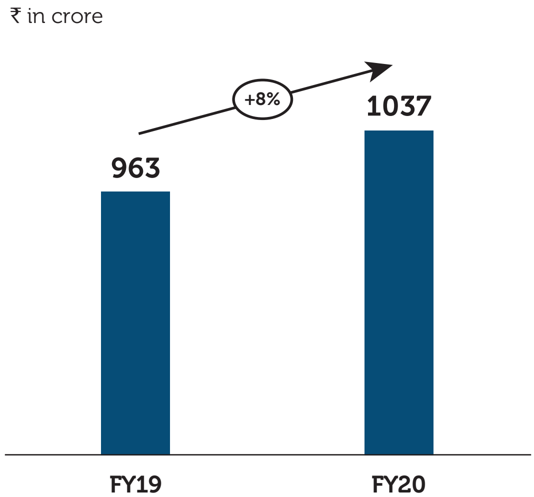
KFin Technologies Private Limited
(formerly Karvy Fintech Private Limited)
Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad, Telangana - 500 032
T: +91 40 6716 2222; F: +91 40 3321 1000
Toll free No: 18003454001;
E: einward.ris@kfintech.com

Chennai Office:
F-11, First Floor, Akshaya Plaza, 108 Adithanar Salai,
Egmore, Chennai – 600 002
T: +91 44 2858 7781

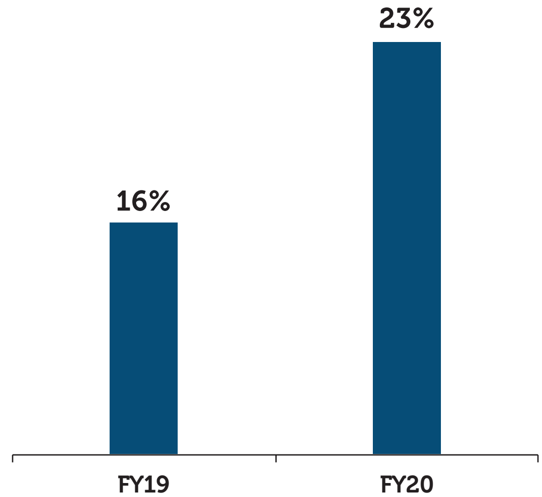
Bankers

HDFC Bank Limited
State Bank of India
Yes Bank Limited

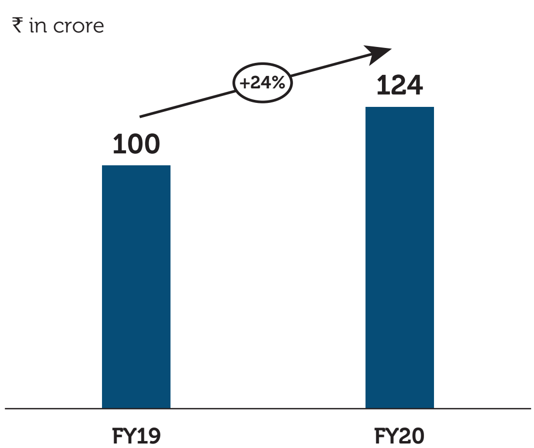
Total Income



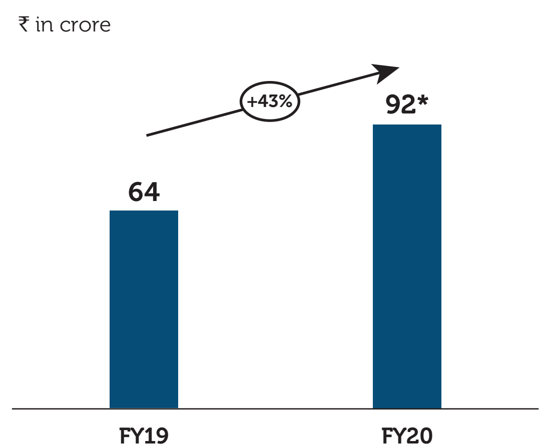
EBITDA Margin



PBT



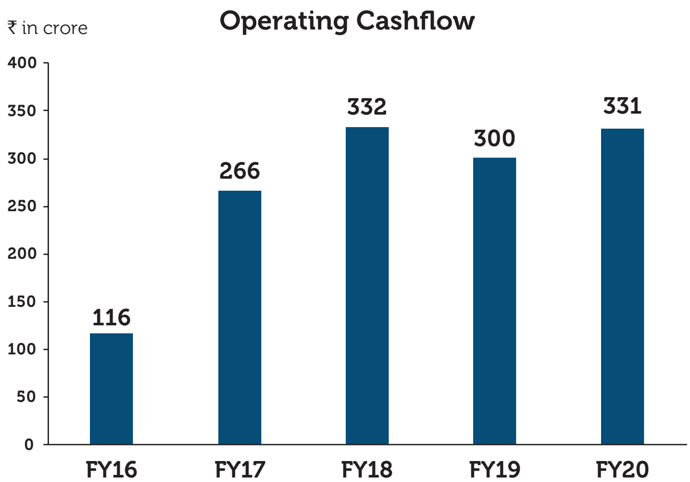
PAT



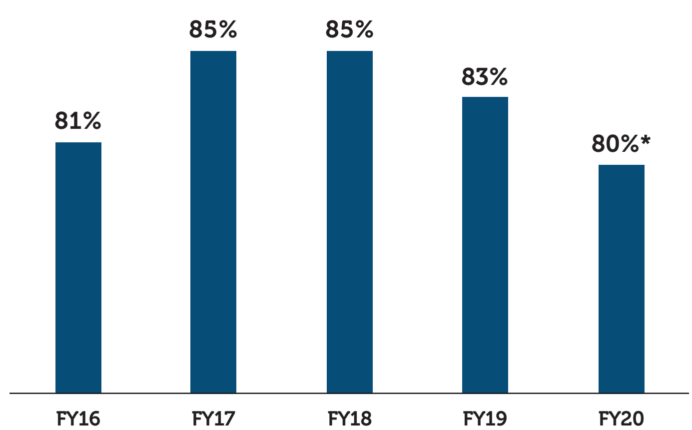
Notes :-

1. Financials prior to FY 2019 are not comparable as they were prepared as per Ind AS 18, hence not shared in above charts.
2. FY 2019 Financials are as per Ind AS 115 which came into effect from April 1, 2018
3. FY 2020 Financials are as per Ind AS 115 & Ind AS 116 which came into effect from April 1, 2019
4. * Prior to one-time Tax impact

Operating Cashflow



Occupancy Trend



* Occupancy adversely affected due to COVID-19 impact in March 2020 and unprecedented floods in Kerala & Coorg in August 2019.

FINANCIAL HIGHLIGHTS FOR THE LAST 5 YEARS - STANDALONE

(₹ in lakhs)

Particulars	Ind AS 115 & 116	Ind AS 115	Ind AS 18		
	2019-20	**2018-19**	2017-18	2016-17	2015-16
Revenue from operations	**97,701**	**91,829**	1,06,419	1,07,318	95,153
Total Income	**103,712**	**96,344**	1,09,419	1,09,039	96,394
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	**24,161**	**15,160**	26,200	26,150	23,950
Depreciation and Amortisation	**10,167**	**5,141**	5,480	6,053	7,133
Profit For the Year before one-time Tax impact	**9,152**	**6,386**	13,436	13,065	11,359
One Time Tax Impact on Tax Expense due to Rate Change.	**19,973**	**-**	-	-	-
Profit For the Year	**(10,821)**	**6,386**	13,436	13,065	11,359
Equity Dividend %	**-**	**-**	40	50	50
Equity Share Capital	**13,292**	**13,290**	13,276	8,823	8,806
Reserves and Surplus	**4,323***	**16,392***	63,169	58,619	50,253
Net Worth	**17,615***	**29,682***	76,445	67,442	59,059
Net Fixed Assets	**225,605**	**202,146**	96,774	95,635	95,390
Total Assets	**641,932**	**604,958**	328,777	298,642	268,321
Market Capitalisation (as on March 31)	**185,761**	**319,795**	391,324	384,599	343,182

* includes revaluation reserves and transition difference.

KEY INDICATORS

Particulars	Ind AS 115 & 116	Ind AS 115	Ind AS 18		
	2019-20	**2018-19**	2017-18	2016-17	2015-16
Diluted Earnings Per Share - (₹)	**(8.14)**	**4.80***	10.10#	9.85#	12.87
Book Value Per Share - (₹)	**13.25**	**22.33**	57.58	76.44	67.07
EBDIT / Total Income %	**23.30%**	**15.74%**	23.94%	23.98%	24.85%
Net Profit Margin %	**8.82%##**	**6.63%**	12.28%	11.98%	11.78%

* The Company has issued and allotted 50,000 equity shares of ₹ 10/- each on May 25, 2018 and 60,000 equity shares of ₹ 10/- each on July 11, 2018, pursuant to exercise of stock options in accordance with the Company's Stock Option Scheme. The earnings per share (EPS) data for FY 18-19 disclosed above have been calculated after taking into account the issue of shares as per Ind AS - 33 on Earnings Per Share.

\# The Company has issued and allotted 55,000 equity shares of ₹ 10/- each on May 19, 2017, pursuant to exercise of stock options in accordance with the Company's Stock Option Scheme (ESOS 2014). Further on July 12, 2017, the Company issued and allotted 4,44,17,928 bonus equity shares of ₹ 10/- each, in the proportion of 1 (one) bonus share for every 2 (two) fully paid up equity shares to all the registered shareholders as on the Record Date (i.e. July 11, 2017) by capitalization of Securities premium account and consequently, the equity share paid up capital of the Company increased from ₹ 88,83,58,560/- to ₹ 1,33,25,37,840/-. Further the Company has issued and allotted 25,000 equity shares, 50,000 equity shares & 1,15,000 equity shares of ₹ 10/- each on February 14, 2018, February 27, 2018 and March 21, 2018 respectively, pursuant to exercise of stock options in accordance with the Company's Stock Option Scheme (ESOS 2014). The earnings per share (EPS) data for FY 17-18 and FY 16-17 disclosed above have been calculated after taking into account the issue of Bonus shares as per Ind AS - 33 on Earnings Per Share.

\## Net Profit Margin % is calculated considering Net Profit for the year before one-time Tax impact.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present their Twenty Fourth Report together with the Audited Financial Statements of your Company for the year ended March 31, 2020.

1. Operations and Financial Overview

During the financial year 2019-20, your Company has registered a creditable performance given the subdued macroeconomic environment and relatively poor consumer sentiment towards discretionary purchases which was evident in the first three quarters of the year. The outbreak of Coronavirus (COVID-19) pandemic has caused significant slowdown of economic activity in March 2020. Traditionally, March is a peak month for your Company, but due to COVID-19, the business operations of your Company have been adversely affected specially, new Member Additions and Resort Operations. During the latter part of March 2020, the Management took the decision for phased closing of resorts considering the safety of members and employees of your Company, which affected the resort occupancies. Resort income declined due to cancellation of bookings in March 2020.

During the year under review, your Company added 15,697 new members to its vacation ownership business, taking the total membership to over 2.58 lakhs at the end of the year. Addition in the members is a result of continued success of Company's pull-based digital and referral leads as well as reaching out to prospects by way of engagement through innovative platforms, alliances and corporate partnerships. During the year under review, your Company has been reinventing its marketing strategy around digital formats and platforms as media consumption has shifted towards mobile devices. Marketing and brand building activities are focused on bringing alive the 'Club Mahindra' experience to generate a pull for the brand by making it aspirational for the target consumer segments.

Your Company added 9 resorts and 224 room units during the year under review. The total inventory stands at 3,732 room units across its 70 resorts as of March 31, 2020. Along with its Finnish subsidiary Holiday Club Resorts Oy's (HCR) 33 resorts, your Company has achieved a significant milestone of offering 100+ resorts to its members during the financial year 2019-20.

During the year under review, your Company through its step-down subsidiary Covington S.à.r.l, Luxembourg (Covington), has increased its stake in HCR from 96.47% to 100% with the acquisition of the balance shares.

The Ministry of Corporate Affairs (MCA) vide its notification dated March 30, 2019 has made Indian Accounting Standard 116 "Leases" (Ind AS 116) applicable effective April 1, 2019. As per Ind AS 116, a lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a corresponding lease liability representing its obligation to make lease payments. The nature of expenses related to these leases has changed as Ind AS 116 substitutes the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

In view of the above, the financial statements of your Company for the financial year ended March 31, 2020, have been prepared in accordance with the Ind AS as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

Your Company has applied the modified retrospective approach as per para C5(b) of Ind AS 116 to existing Leases as on April 1, 2019 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2019 in accordance with para C7 of Ind AS 116 as an adjustment to the Transition Difference under other equity. This has resulted in recognising a ROU asset of ₹ 19,736.60 lakhs and a corresponding lease liability of ₹ 21,183.10 lakhs by adjusting Transition Difference (other equity) net of taxes of ₹ 1,670.15 lakhs in standalone books and ROU asset of ₹ 1,39,084.89 lakhs and a corresponding lease liability of ₹ 1,54,988.18 lakhs by adjusting Transition Difference (other equity) net of taxes of ₹ 12,078.67 lakhs in consolidated books as at April 1, 2019. The financial information presented for the year ended March 31, 2019 have not been restated and hence the figures are not comparable to that extent. However, this change in the applicable Ind AS does not impact the business or cashflows.

On September 20, 2019, the Government of India, vide the Taxation laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic Companies an option to pay Corporate Tax at a reduced rate effective April 1, 2019, subject to certain conditions. During the financial year under review, your Company has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has recognised the provision for income tax for the year ended March 31, 2020 and remeasured the accumulated deferred tax asset at March 31, 2020 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the statement of profit and loss as a separate line item. The re-measurement of accumulated deferred tax and current tax asset has resulted in a one-time impact amounting to ₹ 19,972.94 lakhs which has been debited to the profit and loss account in standalone and consolidated financial statements for the year ended March 31, 2020. Out of this, ₹ 17,775.94 lakhs has been transferred to the Transition Difference (other equity) in standalone and consolidated financial statements for the year ended March 31, 2020.

Your Company's total income (including other income) was ₹ 1,03,711.78 lakhs in 2019-20 compared to ₹ 96,343.85 lakhs in 2018-19. Profit Before Tax (PBT) grew to ₹ 12,394.74 lakhs in 2019-20 from ₹ 10,017.24 lakhs in 2018-19. Profit After Tax

(PAT) (excluding one-time impact of change in tax rate) grew to ₹ 9,151.49 lakhs in 2019-20 from ₹ 6,386.23 lakhs in 2018-19. As a result of one-time impact of change in the tax rate, which augurs well for future cashflows of your Company, loss after tax (including one-time impact of change in tax rate) amounting to ₹ 10,821.45 lakhs in 2019-20. Diluted earnings per share (EPS) for 2019-20 stood at (₹ 8.14) from ₹ 4.80 in 2018-19.

Further, your Company's consolidated total income (including other income) grew to ₹ 2,43,114.56 lakhs in 2019-20 from ₹ 2,29,566.05 lakhs in 2018-19. Consolidated Profit Before Tax (PBT) grew to ₹ 10,132.62 lakhs in 2019-20 from ₹ 9,804.70 lakhs in 2018-19. Consolidated Profit After Tax (excluding one-time impact of change in tax rate) grew to ₹ 6,546.69 lakhs in 2019-20 from ₹ 5,957.19 lakhs in 2018-19. Your Company has accounted consolidated loss after tax (including one-time impact of change in tax rate) amounting to ₹ 13,426.25 lakhs in 2019-20. Consolidated Diluted earnings per share (EPS) for 2019-20 stood at (₹ 9.94) from ₹ 4.54 in 2018-19.

2. Financial Highlights (Standalone)

(₹ in lakhs)

	2019 - 2020	2018 - 2019
Income:		
Income from sale of Vacation Ownership and other services	**97,700.53**	91,829.15
Other Income	**6,011.25**	4,514.70
Total Income	**1,03,711.78**	96,343.85
Expenditure:		
Less: Employee Cost & Other Expenses	**79,550.94**	81,183.92
Profit before Depreciation, Interest and Taxation	**24,160.84**	15,159.93
Less: Depreciation	**10,166.79**	5,140.50
Interest	**1,599.31**	2.19
Profit for the year before Tax	**12,394.74**	10,017.24
Less: Provision for Tax – Current Tax	**2,520.37**	2,201.66
– Deferred Tax (net)	**722.88**	1,429.35
Net Profit for the year after Tax excluding impact of change in tax rate	**9,151.49**	6,386.23
One-time impact on Tax Expense due to change in tax rate	**19,972.94**	-
Net Profit / (Loss) for the year after Tax	**(10,821.45)**	6,386.23
Other Comprehensive Income (Net of Tax)	**(54.61)**	73,921.20
Total Comprehensive Income / (Loss) for the year	**(10,876.06)**	80,307.43

3. Share Capital

The Issued, Subscribed and Paid up Share Capital of the Company as on March 31, 2020 was ₹ 133,55,37,840 (Rupees One Hundred Thirty Three Crore Fifty Five Lakhs Thirty Seven Thousand Eight Hundred and Forty only) divided into 13,35,53,784 (Thirteen Crore Thirty Five Lakhs Fifty Three Thousand Seven Hundred and Eighty Four) equity shares of ₹ 10 each (Rupees Ten only).

During the year under review, your Company did not issue shares with differential voting rights / sweat equity. Details of the Directors' shareholding as on March 31, 2020, are mentioned in the Corporate Governance Report, which forms part of this Annual Report.

4. Dividend

In compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Dividend Distribution Policy of the Company is annexed herewith as Annexure I and is also available at the Company's website at: https://www.clubmahindra.com/about-us/policies

The Company had changed its revenue recognition policy in accordance with Ind AS 115 during financial year 2018-19. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and has been stated as Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year from 2006 till 2018. The Company has sought clarification from MCA that, this Transition Difference need not be considered for the purpose of declaration of dividend under the provisions of Section 123(1) of the Act. The declaration of dividend, if any, shall be subject to receipt of clarification from MCA.

5. Transfer to Reserve

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

6. Related Party Transactions

Your Company undertakes various transactions with related parties in the ordinary course of business. All transactions entered with related parties during the year under review are on arm's length basis and in the ordinary course of business. Your Company has not entered into any contracts / arrangements / transactions with related parties which could be considered material in accordance with the policy of the Company i.e. Policy on Materiality of and Dealing with Related Party Transactions ("RPT Policy"). Accordingly, AOC-2 is not applicable to the Company. Further, transactions entered by the Company with related parties in the normal course of business were placed before the Audit Committee of the Board.

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

The RPT Policy as approved by the Audit Committee and the Board is available on the website of the Company at: https://www.clubmahindra.com/about-us/policies

Your Directors draw attention of the Members to Note No. 51 to the Standalone Financial Statements which sets out related party disclosure.

7. Particulars of Loans and Advances, Guarantees, Investments and Securities

As your Company is engaged in the activity covered under Schedule VI of the Act, the provisions of Section 186 of the Act relating to loans given, investments made, guarantees given or securities provided are not applicable to the Company. However, the details of such loans given and guarantees given to / on behalf of subsidiary companies/ JV company are provided in Note Nos. 9, 10 and 20 to the Standalone Financial Statements. These loans and guarantees for which loans are provided are proposed to be utilised by the respective recipients for their business purposes. Particulars of investments made by your Company are provided in the Standalone Financial Statements at Note Nos. 7 and 16.

The details of loans and advances, which are required to be disclosed in the Annual Report of the Company pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations are furnished separately as Annexure II to this report.

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

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

9. Corporate Social Responsibility

Corporate Social Responsibility ("CSR") activities of the Company are guided by its CSR Policy, which is framed and approved by the Board. The Company's CSR Policy is available on its website: https://www.clubmahindra.com/about-us/policies. These are discussed in detail in the Management Discussion and Analysis Report, which forms a part of this Annual Report. The statutory disclosure with respect to CSR activities forms part of this Report and is annexed herewith as Annexure III.

10. Sustainability

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

11. Business Responsibility Report

The 'Business Responsibility Report' (BRR) of your Company for the year 2019-20, as required under Regulation 34(2)(f) of the SEBI Listing Regulations, forms part of this Annual Report.

Your Company believes that the sustainable development aims at achieving economic growth and improvement in well-being while preserving the natural resources and ecosystem for future generations. Your Company also recognises the importance of sustainability and is committed to conserve the ecological integrity of its locations through responsible business practices.

12. Corporate Governance Report

A Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Schedule V of the SEBI Listing Regulations forms a part of this Annual Report. Further, a certificate from M/s M Damodaran & Associates LLP, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/MCA or any such statutory authority, is attached to the Corporate Governance Report.

13. Management Discussion and Analysis Report

A detailed analysis of the Company's operational and financial performance as well as the initiatives taken by the Company in key functional areas such as Resort Operations, Member Experience, Business Excellence, Human Resources and Technology & Digitisation are separately discussed in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

14. Whistle Blower Policy & Vigil Mechanism

As per the provisions of Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, the Company is required to establish an effective Vigil Mechanism for Directors, employees and other stakeholders to report genuine concerns. The details of the Whistle Blower Policy and Vigil Mechanism have been disclosed in the Corporate Governance Report, which forms a part of this Annual Report.

15. Employees' Stock Options

Employees' Stock Options represent a reward system based on overall performance of the individual employee and the Company. It helps the Company to attract, retain and motivate the best available talent. This also encourages employees to align individual performances with the Company and promotes increased participation by the employees in the growth of the Company. Accordingly, your Company formulated the Employees' Stock Option Scheme in 2006 (2006 Scheme) and subsequently in 2014 (2014 Scheme) after obtaining requisite approvals from the shareholders. All the balance shares available under 2006 Scheme together with any other shares represented by Options that may lapse for any reason thereat, was/will be considered for issuing/granting Options to the Employees pursuant to the provisions under the 2014 Scheme.

During the year under review, pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations"), a total of 8,50,000 new Options were granted under the 2014 Scheme by the Nomination and Remuneration Committee to the eligible employees and noted by the Board.

Details required to be provided under Regulation 14 of the SEBI ESOP Regulations is available on the Company's website at: https://www.clubmahindra.com/about-us/investor-relations/financials.

The details of Employees' Stock Options forms part of the Notes to accounts of the Financial Statements in this Annual Report.

A certificate from the Statutory Auditors of the Company confirming that the 2006 Scheme and 2014 Scheme have been implemented in accordance with the SEBI ESOP Regulations and the resolutions passed by the Shareholders, will be available for inspection by Members at the ensuing Annual General Meeting ("AGM").

16. Subsidiaries, Joint Venture and Associate Companies

During the year under review, Holiday Club Sweden AB, Sweden, step down subsidiary of the Company, disinvested its entire stake in Åre Villa 1 AB and Åre Villa 2 AB and consequently, Åre Villa 1 AB and Åre Villa 2 AB ceased to be the step down subsidiaries of the Company.

Further, Covington, a step down subsidiary of the Company, acquired the balance 3.53% stake in HCR and consequently, HCR has become a wholly owned subsidiary of Covington and in turn of the Company.

Arabian Dreams Hotel Apartments LLC, Dubai (Arabian Dreams), a Joint Venture company of the Company, is considered as a subsidiary company from Financial Year 2016-17 in accordance with the provisions of Ind AS. Accordingly, as of March 31, 2020, your Company has 34 subsidiaries (including 28 indirect subsidiaries), 1 joint venture company (indirect) and 2 associate companies (including 1 indirect associate).

17. Performance of Subsidiaries

Domestic Subsidiaries

Gables Promoters Private Limited ('Gables'), is a wholly owned subsidiary of the Company. Gables operates a resort property of 115 rooms at Naldehra, Himachal Pradesh. Your Company avails rooms in the resort property of Gables for usage of its guests and vacation ownership members.

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

Foreign Subsidiaries

Heritage Bird (M) Sdn. Bhd, Malaysia ('Heritage Bird') is a wholly owned subsidiary of the Company. Heritage Bird's principal activities are holding of investments and leasing of properties. Heritage Bird has rooms/units in apartment properties in a well-known location in Kuala Lumpur, Malaysia.

MH Boutique Hospitality Limited, Thailand ('MH Boutique'), in which your Company holds forty nine per cent of equity stake, is a subsidiary of the Company by virtue of control on the composition of the Board of MH Boutique and it mainly holds investments in Infinity Hospitality Group Company Limited, Thailand ('Infinity').

Infinity is the subsidiary company of MH Boutique and by virtue of the same is also subsidiary of the Company. Infinity owns and operates a hotel/apartment property at Bangkok, Thailand. Your Company avails rooms in the hotel property of Infinity for usage of its guests and vacation ownership members.

MHR Holdings (Mauritius) Limited, Mauritius ('MHR Holdings'), is a wholly owned subsidiary of the Company. The principal activity of MHR Holdings is to hold investments. Currently, it holds investments in Covington.

Covington is a wholly owned subsidiary of MHR Holdings and in turn a subsidiary of your Company. The principal activity of Covington is to hold investments. Currently, it holds investments in HCR and HCR Management Oy ('HCRM'), Finland. As on March 31, 2020, Covington holds 100% stake in HCR and HCRM.

HCR, subsidiary of Covington and in turn of the Company, is the largest operator of leisure hotels in Finland and the largest vacation ownership company in Europe. As of March 31, 2020, HCR has 33 resorts of which 25 are located in Finland, 2 in Sweden and 6 in Spain. Further, out of these, 7 resorts in Finland and 1 resort in Sweden have a spa hotel attached with indoor water parks, 4 resorts have golf course and there are 4 indoor theme parks for children called 'Angry Bird Activity Parks'. Apart from 62,000 families and over 1,300 companies owning HCR timeshare, over 1 million guests visit Holiday Club Spa Hotels annually. During the year under review, total income of HCR, which includes turnover and other operating income, stood at € 157.33 million, compared to € 161.09 million in 2018-19.

Earnings before interest, tax, depreciation and amortization (EBITDA) for the year were € 6.73 million, down from € 7.79 million in 2018-19. Overall, HCR recorded a PBT and PAT of € 0.26 million and € 0.14 million respectively in 2019-20. The performance of HCR was adversely affected due to COVID-19 in March 2020, which is peak holiday season in Finland.

HCRM is a wholly owned subsidiary of Covington and in turn subsidiary of your Company. HCRM is primarily engaged in the sale and trade of real estates, property management, investment activities and dealing in securities. Currently, HCRM holds investment in the share capital of HCR.

Arabian Dreams, (a Joint Venture company as per the Act and Subsidiary company as per Ind AS) operates a 75 room hotel property in Dubai (UAE) taken on lease basis. Your Company avails rooms/apartments in the hotel property of Arabian Dreams for usage of its guests and vacation ownership members.

Associate Companies

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

Kiinteistö Oy Seniori-Saimaa is an associate of HCR and consequently, associate of your Company.

Joint Venture Company

Tropiikin Rantasauna Oy is a Joint Venture company (JV) of HCR and consequently, JV of your Company.

A report on the performance and financial position of the subsidiaries, associate and joint venture company whose financial statements are considered for preparation of Consolidated Financial Statements of the Company as per the Act (in the prescribed format i.e. "Form AOC-1") is provided as Annexure to the Consolidated Financial Statements.

The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at: https://www.clubmahindra.com/about-us/policies

In accordance with the third proviso to Section 136(1) of the Act, the Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statements are available on the Company's website www.clubmahindra.com. Further, as per fourth proviso to the said Section, the Audited Annual Accounts of each of the said subsidiaries of the Company are also available on the Company's website www.clubmahindra.com. Any Shareholder who may be interested in obtaining a copy of the aforesaid documents may write to the Company Secretary at the Company's Corporate Office.

18. Directors

As on the date of this report, your Company has 9 Directors, which includes 5 Independent Directors, 3 Non-Executive Directors (NEDs) and 1 Managing Director (ED).

At the 23rd AGM held on July 31, 2019, the following directors were re-appointed by the Shareholders:

a) Mr. Kavinder Singh was re-appointed as the Managing Director & CEO of the Company for a term of five years commencing from November 3, 2019 to November 2, 2024;

b) Mr. Rohit Khattar and Mr. Sanjeev Aga were re-appointed as Independent Directors of the Company for a second term of five consecutive years each commencing from August 27, 2019 to August 26, 2024;

c) Mr. Sridar Iyengar was re-appointed as an Independent Director of the Company for a second term commencing from August 27, 2019 to July 31, 2022; and

d) Mr. Cyrus Guzder was re-appointed as an Independent Director of the Company for a second term commencing from August 27, 2019 to July 31, 2020.

Accordingly, Mr. Cyrus Guzder would cease to hold office as an Independent Director of the Company from August 1, 2020 upon completion of his tenure as approved by the Shareholders.

Mr. Cyrus Guzder has been on the Board of the Company for around 22 years and has enriched the Board with his immense experience in all aspects of strategy and management, financial reporting and processes. His vast experience in managing Operations, Sales and Marketing, Accounting, Strategy, Human Resources Development was pivotal in steering the growth initiatives of the Company over a period of time.

Mr. Cyrus Guzder has been the Chairman of the Nomination and Remuneration Committee and Risk Management Committee, Member of Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and other Committees of the Board.

Mr. Cyrus Guzder has always brought a solution based approach to issues while remaining committed to the highest standards of governance and excellence. He has made significant contributions as a Director of the Company and as a member of several of its Committees and his inputs have greatly benefited the Board and the Company.

During the year under review, Ms. Radhika Shastry ceased to be an Independent Director of the Company with effect from December 26, 2019 upon completion of her tenure. The Board places on record its sincere appreciation for the contributions made by Ms. Radhika Shastry during her association with the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on February 1, 2020 have appointed

Mrs. Sangeeta Talwar as an Additional Director in the category of an Independent Director of the Company not liable to retire by rotation for a period of five years with effect from February 1, 2020. She shall hold office as an Additional Director upto the date of the ensuing AGM. The Company has received the requisite Notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 9, 2020 have appointed Dr. Anish Shah as an Additional Director in the category of Non-Executive and Non-Independent Director of the Company, liable to retire by rotation. He shall hold office as an Additional Director upto the date of the ensuing AGM. The Company has received the requisite Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company.

In terms of the Articles of Association of the Company and as per Section 152(6) of the Act, Mr. V S Parthasarathy, being longest in the office, is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Notice convening the forthcoming AGM will include the proposal for the appointment/ re-appointment of the aforesaid Directors. A brief resume of the Directors seeking appointment/ re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Corporate Governance Report and will also be annexed to the Notice of AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and SEBI Listing Regulations. Further, the Independent Directors of the Company have also confirmed that they have registered themselves with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline pursuant to the provisions of Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

19. Key Managerial Personnel (KMPs)

As on March 31, 2020, Mr. Kavinder Singh, Managing Director & CEO, Mrs. Akhila Balachandar, Chief Financial Officer and Mr. Dhanraj Mulki, General Counsel & Company Secretary, are the KMPs as per the provisions of the Act.

20. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

During the year under review, Mrs. Sangeeta Talwar has been appointed as an Independent Director of the Company with effect from February 1, 2020, subject to the approval of Shareholders. The Board is satisfied with the integrity, expertise and experience (including the proficiency) of Mrs. Sangeeta Talwar who has been appointed as an Independent Director of the Company with effect from February 1, 2020.

Regarding the experience which includes proficiency test, Mrs. Sangeeta Talwar is exempted from undertaking the proficiency test in accordance with Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

21. Policy on Directors' appointment and remuneration

The salient features of the following policies of the Company are attached herewith and marked as Annexure IV:

1. Policy on appointment of Directors and Senior Management
2. Policy on Remuneration of Directors and
3. Policy on Remuneration of Key Managerial Personnel and Employees

The aforesaid policies are also available at the link https://www.clubmahindra.com/about-us/policies.

The Managing Director & CEO of the Company does not receive remuneration or commission from any of its subsidiaries and draws remuneration only from the Company.

22. Board Evaluation

The Board has conducted an annual evaluation of its own performance, individual Directors, Committees of the Board and that of its Non-Executive Chairman, in terms of the relevant provisions of the Act, Rules made thereunder and SEBI Listing Regulations. The manner in which the evaluation was conducted by the Company has been explained in the Corporate Governance Report, which forms a part of this Annual Report.

23. Number of Board Meetings

During the year under review, the Board of Directors met 5 (five) times. The details of the Board Meetings and attendance of Directors are provided in the Corporate Governance Report, which forms a part of this Annual Report.

24. Composition of Audit Committee

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

25. Directors' Responsibility Statement

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

a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable Accounting

Standards had been followed and there is no material departure;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Internal Financial Controls and their Adequacy

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

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

27. Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries, associate and joint venture companies prepared in accordance with the Act and applicable Accounting Standards form part of this Annual Report.

For the purpose of preparation of the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020 as per Ind AS, the latest audited financial results of all the subsidiaries, one associate company and one joint venture company pertaining to HCR were considered and consolidation was done as per the provisions of Section 129 of the Act.

28. Risk Management

Your Company has a well-defined risk management framework to identify and evaluate elements of business risk. The Audit Committee has an oversight in the area of financial risk and controls. Other details including details pertaining to various risks faced by your Company and also development and implementation of risk management framework are discussed in the Management Discussion and Analysis Report forming part of this Annual Report.

29. Disclosure requirements

- Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, details of transactions with persons or entities belonging to the promoter/ promoter group which hold 10% or more shareholding in the Company, are furnished under Note No. 51 to the Standalone Financial Statements which sets out related party disclosure.
- The provisions in respect of maintenance of cost records as specified under sub-section (1) of Section 148 of the Act are not applicable to your Company.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.
- During the year under review, no revision was made in the previous financial statements of the Company.

30. Auditors

A) Statutory Auditors

The Shareholders at their 21st AGM held on August 2, 2017, approved the appointment of M/s B S R & Co., LLP, Mumbai (ICAI membership No:101248W/W-100022) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 21st AGM till the conclusion of 26th AGM, subject to ratification of their appointment by the Members at every AGM of the Company.

Pursuant to Notification issued by the MCA on May 7, 2018 amending Section 139 of the Act, the mandatory requirement for ratification of appointment of Auditors by the Shareholders at every AGM has been omitted. Accordingly, the Shareholders at their 22nd AGM held on August 2, 2018 approved the ratification of the appointment of M/s B S R & Co. LLP, Chartered Accountants as the Auditors of the Company, from the conclusion of the 22nd AGM to hold office until the conclusion of the 26th AGM of the Company to be held in the year 2022.

The Auditors' Report on the financial statements of the Company for the year ending March 31, 2020 is unmodified i.e. it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements forming part of the annual report.

B) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and Rules thereunder, the Company has appointed M Siroya and Company, Practicing Company Secretaries, to undertake the secretarial audit of the Company. The Report of the Secretarial Auditor is annexed herewith as Annexure V.

There are no qualifications, reservations or adverse remarks made by M Siroya and Company, Practicing Company Secretaries, Secretarial Auditor of the Company in the Secretarial Audit Report.

31. Deposits

Your Company has not accepted any deposits from public or its employees and, as such no amount on account of principal or interest on deposit were outstanding as of the Balance Sheet date.

32. Credit Rating

India Ratings and Research Private Limited ("India Ratings") has re-affirmed Long-Term Issuer Rating of 'IND A' with a stable outlook to your Company. The 'IND A' rating indicates adequate degree of safety regarding timely servicing of financial obligations. India Ratings continues to take a consolidated view of the Company and its subsidiaries, including HCR, Finland, to arrive at the ratings.

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

There are no material changes and commitments, affecting financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2020 and the date of the Directors' Report.

34. Annual Return

As per the provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return as of March 31, 2020, in the prescribed form MGT- 9 is annexed herewith as Annexure VI. The Annual Return of the Company has been placed on the website of the Company and can be accessed at https://www.clubmahindra.com/about-us/investor-relations/financials.

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

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

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

36. Human Resources

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. It considers people as its biggest assets. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership. Apart from continued investment in skill and leadership development of its people, this year your Company has also focused on employee engagement initiatives aimed at increasing the Culture of Innovation & Collaboration across all strata of the workforce. This year the Employee Engagement Scores as reflected through MCARES survey (an internal benchmarking exercise within the Mahindra Group) has been the highest ever for your Company. Your Company has also been certified as one of India's Great Places to Work For and recognised amongst the Top 100 'Best companies to work for in India' by Great Place To Work (GPTW) Institute. These are discussed in detail in the Management Discussion and Analysis Report forming part of this Annual Report.

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 ("POSH Act"). The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the POSH Act and the Committee includes external members from NGO and / or members with relevant experience. There were no complaint pending at the beginning of the year. During the year under review, the Company received 1 complaint under the Policy which was disposed-off and appropriate actions were taken within the statutory timelines. Further, there were no complaints pending for more than 90 days during the year.

37. Particulars of Employees

The disclosure with respect to the remuneration of Directors, KMPs and employees under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules"), is attached as Annexure VIII and forms a part of this report.

The Company had 7 (seven) employees who were employed throughout the year and were in receipt of remuneration of more than ₹ 102 lakhs per annum. There were 5 (five) employees employed for part of the year and in receipt of remuneration of more than ₹ 8.50 lakhs per month.

In terms of Section 136 of the Act, the copy of the Financial Statements of the Company, including the Consolidated Financial Statements, the Auditor's Report and relevant Annexures to the said Financial Statements and reports are being sent to the Members and other persons entitled thereto, excluding the information in respect of the said employees containing the particulars as specified in Rule 5(2) of the said Rules. If any Member is interested in obtaining a copy thereof, he may write to the Company Secretary of the Company at its Corporate Office.

The Financial Statements, reports etc. of the Company are available on the website of the Company www.clubmahindra.com.

38. 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 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

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE I TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2020

Dividend Distribution Policy

The Dividend Distribution Policy ("the Policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The Policy shall come into force for accounting periods beginning from 1st April, 2016.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value of ₹ 10 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, out of the profits of the Company for current year or out of profits of the Company for any previous financial years or out of both, as may be permitted under the Companies Act, 2013 ("the Act").

In the event of inadequacy or absence of profits in any year, the Board may recommend to declare dividend out of the accumulated profits earned by the Company in any previous financial years and transferred to free reserves, provided such declaration of dividend shall be in accordance with the provisions of the Act and Rules framed thereunder.

The Board may also declare interim dividend as may be permitted by the Act.

The Company's dividend policy aims to balance the objective of appropriately rewarding shareholders through dividends and to support the future growth.

As in the past, subject to the provisions of the applicable laws, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return. Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio in the range of 20% to 40% of the annual standalone Profits After Tax (PAT) of the Company.

While determining the nature and quantum of the dividend payout, including amending the suggested payout range as above, the Board would take into account the following factors:

- Internal Factors:
  - i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
    - a. Previous years and
    - b. Internal budgets,
  - ii. Cash flow position of the Company,
  - iii. Accumulated reserves,
  - iv. Earnings stability,
  - v. Future cash requirements for organic growth/ expansion and/or for inorganic growth,
  - vi. Brand acquisitions,
  - vii. Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities,
  - viii. Deployment of funds in short term marketable investments,
  - ix. Long term investments,
  - x. Capital expenditure(s), and
  - xi. The ratio of debt to equity (at net debt and gross debt level).

- External Factors:
  - i. Business cycles,
  - ii. Economic environment,
  - iii. Cost of external financing,
  - iv. Applicable taxes including tax on dividend,
  - v. Industry outlook for the future years,
  - vi. Inflation rate, and
  - vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

The Board may consider not declaring dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. In such event, the Board will provide rationale in the Annual Report.

The retained earnings of the Company may be used in any of the following ways:

i. Capital expenditure or working capital,

ii. Organic and/ or inorganic growth,

iii. Investment in new business(es) and/or additional investment in existing business(es),

iv. Declaration of dividend,

v. Capitalisation of shares,

vi. Buy back of shares,

vii. General corporate purposes, including contingencies,

viii. Correcting the capital structure,

ix. Any other permitted usage as per the Act.

Information on dividends paid in the last 5 years is provided in the Annual Report.

This policy may be reviewed periodically by the Board.

The Policy will be available on the Company's website and the link to the policy is https://www.clubmahindra.com/about-us/policies.

The Policy will also be disclosed in the Company's Annual Report.

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020

Loans and Advances as per Regulation 34(3) read with Part A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"):

Particulars of loans and advances to subsidiaries, associates, etc., as required to be disclosed in the Annual Report of the Company pursuant to Regulation 34(3) read with Part A of Schedule V of the SEBI Listing Regulations:

Loans and advances in the nature of loans to subsidiary:

(₹ in lakhs)

Name of the Company	Balance as on March 31, 2020	Maximum outstanding during the year
Heritage Bird (M) Sdn Bhd., Malaysia	700	700
MH Boutique Hospitality Limited, Thailand	647	647
Arabian Dreams Hotel Apartments LLC, Dubai*	205	411
Gables Promoters Private Limited	2,640	2,640
MHR Holdings (Mauritius) Limited, Mauritius	208	208
Mahindra Hotels and Residences India Limited	6	6

* Joint Venture company of the Company, is considered as a subsidiary company in compliance with provisions of the Indian Accounting Standards.

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE III TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020

Annual Report on Corporate Social Responsibilities (CSR) Activities

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   Your Company is deeply rooted in all the communities that it works with, through a variety of CSR programs and volunteering efforts by employees. Your Company engage in community initiatives that are designed to 'enrich lives and protect nature', through the domains of environment, education and skill building and healthcare. Your Company also support the protection of national heritage, art and culture and participate in relief operations during disasters.

   The CSR initiatives of your Company are driven through (i) active involvement of its employees under Employees Social Options Program (ESOP), which is the employees volunteering program in the nearby areas of Company's Resorts and locations across India; (ii) partnerships with the Corporate Foundation namely: The K C Mahindra Education Trust which promotes girl child education through the Nanhi Kali program; and (iii) partnerships with other reputed Not for Profit Organizations having an established track record of at least 3 years in carrying on the specific CSR activity, as may be permitted under the Companies Act, 2013 ('the Act').

   The CSR initiatives taken up by the Company reflects Mahindra Group's 'Rise for Good' mission, with a focus on driving positive change to enable communities around us to Rise. The Company's core CSR focus areas are:

   - Environmental Sustainability
   - Education & Skill Development
   - Healthcare
   - Protection of National Heritage, Art & Culture
   - Rural Development
   - Disaster Relief

   During the year under review, the Company has spent ₹ 365.15 lakhs on CSR activities.

   The amount equal to 2% of the average net profit for the past three Financial Years is ₹ 365.00 lakhs.

   The Company's CSR Policy is available on it's website:

   https://www.clubmahindra.com/sites/default/files/MHRIL_CSR_Policy.pdf

2. **The composition of the CSR Committee of the Board of Directors as on March 31, 2020:**

Mr. Arun Nanda	-	Chairman
Mr. Cyrus Guzder	-	Member
Mr. V S Parthasarathy	-	Member
Mr. Kavinder Singh	-	Member

3. **Average net profit of the company for last three financial years :** ₹ 18,089.99 lakhs.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :** ₹ 365.00 lakhs

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year : ₹ 365.00 lakhs

   (b) Amount unspent, if any : Nil

   (c) Manner in which the amount spent during the financial year is detailed below :

Sr. no.	CSR Project/ Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	**NANHI KALI –** Educational support (academic & material) provided to underprivileged girls in India.	Promoting Education	Nashik (Maharashtra), Darjeeling (West Bengal), Shravasti, Barabanki (Uttarakhand)	182.50	182.50	182.50	Through implementing agencies - K.C. Mahindra Education Trust & United Way of Mumbai
2	**Green Guardians -** Under the Company's Jal Jivan initiative, several water conservation initiatives were rolled out.	Ensuring Environmental Sustainability	Mumbai, Solapur District (Maharashtra), Ashtamudi, Thekkady, Wayanad District (Kerala), Puducherry, Udaipur (Rajasthan), Varca (Goa)	45.07	45.07	45.07	Direct implementation and through implementing agencies - Students Relief Society, Sri Aurobindo Society, United Way of Mumbai, Seeds (Sustainable Environment and Ecological Development Society), Centre for Social and Behaviour Change Communication
3	**MAHINDRA HARIYALI –** Plantation of Trees	Ensuring Environmental Sustainability	Pan India	17.20	17.20	17.20	Direct Implementation
4	**GYANDEEP –** Providing support to a variety of NGOs to provide education support, Infrastructure Improvement support, provision of books & stationary, renovation of school buildings.	Promoting Education	Binsar (Uttarakhand), Chennai (Tamil Nadu), Cherai, Poovar, Thekkady (Kerala), Madikeri, Virajpet (Karnataka), Dwarka (Gujarat), Mumbai, Lonavala, Mahabaleshwar, Palghar (Maharashtra), New Delhi, Puducherry, Shimla (Himachal Pradesh), Varca (Goa)	48.22	48.22	48.22	Direct Implementation and through implementing agencies - TYCIA Foundation, Mumbai Mobile Creche, Unnati Foundation, Tata Community Initiatives Trust, Let's Feed The Needy
5	**MEDICAL OUTREACH –** Providing medical support to needy and deserving cancer affected patients.	Promoting Healthcare & Preventive Healthcare	Mumbai (Maharashtra)	20.00	20.00	20.00	Through implementing agency - Cancer Patients Aid Association
6.	**SEHAT –** providing nutritional support, Mobile Medical Units and Hospital Infrastructure Improvement support.	Promoting Healthcare & Preventive Healthcare	Ashtamudi, Poovar, Munnar, Cherai (Kerala), Binsar, Corbett, Mussoorie (Uttarakhand), Chennai (Tamil Nadu), Dwarka (Gujarat), Agassaim (Goa), Lonavala, Pune, Mahabaleshwar (Maharashtra), Puducherry	26.56	26.56	26.56	Direct Implementation & through implementing agencies - Muktashram Trust, Human Touch India, The Indian Red Cross Society
7	**MAHINDRA GUNSAR LOK SANGEET SANSTHAN -** promote and revive the dying local art and culture of ethnic folk communities.	Protection of national heritage, art & culture	Jaisalmer, Rajasthan	11.00	11.00	11.00	Through implementing agency - Gunsar Lok Sangeet Sansthan
8	**GRAM VIKAS –** Sanitation, Hygiene and Infrastructure support in villages.	Rural Development	Raigad District, Maharashtra	8.00	8.00	8.00	Though implementing agency - Swades Foundation

Sr. no.	CSR Project/ Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
9	**SWACHH BHARAT** – cleanliness drives.	Water & Sanitation	Lonavala (Maharashtra), Nainital District (Uttarakhand)	3.58	3.58	3.58	Direct Implementation
10	**DISASTER RELIEF** – flood relief operations in Kerala & Kodagu.	Disaster Relief	Ashtamudi (Kerala), Madikeri (Karnataka)	2.87	3.02	3.02	Direct Implementation
	Grand Total			**365.00**	**365.15**	**365.15**	

6. **Implementing agencies**

   The Company implements its CSR endeavours in partnership with government and non-governmental organisations that understands the need of the community. The Company engages with NGO partners across the areas it operates. Some of the NGOs are K C Mahindra Education Trust, Sri Aurobindo Society, Students Relief Society, Cancer Patients Aid Association, Swades Foundation, Tata Community Initiatives Trust, The Indian Red Cross Society, United Way of Mumbai, Sanakalptaru Foundation, etc.

7. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

   The Company has spent the requisite amount allocated by the Board for its CSR activities i.e. 2% of average net profit for the last three financial years.

8. **The implementation and monitoring of CSR activities are in compliance with CSR objectives and Policy of the Company.**

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Arun Nanda
Chairman - Corporate Social Responsibility Committee
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE IV TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2020

A. SALIENT FEATURES OF POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

Appointment of Director:

- The Nomination & Remuneration Committee (NRC) reviews and assesses the Board composition and recommends the appointment of new Directors.
- NRC evaluates suitability of individual for Board appointments based on merits, skills, experience, independence and knowledge.
- NRC also takes into account ability of candidates to devote sufficient time in discharging his/her duties and balanced decision making.
- Based on NRC recommendation, the Board evaluates the individual and decide on his/her appointment as Director of the Company.

Appointment of Senior Management:

- NRC has also laid down criteria for identification of persons who may be appointed in the Senior Management.
- The selection criteria for Senior Management includes merit, experience and knowledge of the candidate.
- Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate.

During the year, no changes were made to the Policy.

B. SALIENT FEATURES OF POLICY FOR REMUNERATION OF THE DIRECTORS

1. **Remuneration to Non-Executive including Independent Directors:**

   - NRC shall decide the basis for determining the compensation to Non-Executive Directors, whether as commission or otherwise and submit its recommendations to the Board. The Board shall determine the compensation payable to Non-Executive Directors within the overall limits specified in the Shareholders resolution;
   - In addition to the above, the Directors are entitled for sitting fees for attending Board / Committee meetings, reimbursement of expenses incurred in discharge of their duties and stock options (other than Independent Directors).
   - The Non-Executive Non-Independent Directors who receive remuneration from the holding company or any other group company are not paid any sitting fees or any remuneration.

2. **Remuneration to Managing Director & Chief Executive Officer (MD & CEO) and Executive Directors:**

   - The remuneration to MD & CEO is recommended by NRC to the Board. While considering remuneration to MD & CEO, NRC considers industry benchmarks, merit and seniority of the person and ensures that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.
   - The remuneration consists of both fixed compensation and variable compensation and is paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of Company, as approved by the Board and within the overall limit specified by Shareholders.
   - While the fixed compensation is determined at the time of appointment, the variable compensation is determined annually by the NRC based on the performance.

During the year, no changes were made to the Policy.

C. SALIENT FEATURES OF POLICY FOR REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration is paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed component payable monthly and a variable component, based on performance, on annual basis.
- Variable component will be a function of individual performance as well as business performance.
- Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA).
- Both BSC and KRA are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60^{th} percentile.
- Based on the findings of the survey and the business performance, the CEO along with the CHRO and CFO decides the increment for different performance ratings as well as grades, the increment for promotions, the total maximum increment and the maximum increase in compensation cost in % and absolute.

During the year, no changes were made to the Policy.

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE V TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
Mahindra Holidays & Resorts India Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the relevant and applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable during the year);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There is no Foreign Direct Investment or External Commercial Borrowings in the Company; and;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable during the year);

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the year); and

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(vi) As confirmed by the Company, it is operating in the Leisure Hospitality Industry and mainly in the business of vacation ownership and there are no laws which are specifically applicable in relation to the business of the Company.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India as amended time to time; and
2. The Equity Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

1. Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts as prescribed under Direct Tax and Indirect Tax;
3. Stamp Acts and Registration Acts of respective States;
4. Labour Welfare Act of respective States; and
5. Such other Local laws etc. as may be applicable in respect of various offices of the Company.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review, (i) Mr. Rohit Khattar and Mr. Sanjeev Aga were re-appointed as Independent Directors w.e.f. August 27, 2019 to August 26, 2024; (ii) Mr. Cyrus Guzder was re-appointed as an Independent Director w.e.f. August 27, 2019 to July 31, 2020 and (iii) Mr. Sridar Iyengar was re-appointed as an Independent Director w.e.f. August 27, 2019 to July 31, 2022. Ms. Radhika Shastry retired as an Independent Director w.e.f. December 26, 2019 and Mrs. Sangeeta Talwar was appointed as an Additional (Independent) Director w.e.f. February 1, 2020.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for the Unpublished Price Sensitive Information which were, pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, after due compliance with the SS 1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

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

(i) The members at their Annual General Meeting held on July 31, 2019, inter-alia, approved the re-appointment of Mr. Kavinder Singh as the Managing Director and Chief Executive Officer of the Company w.e.f. November 3, 2019 for a period of five years.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682B000257714

Place: Mumbai
Date: May 19, 2020

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

'Annexure A'

To,
The Members,
Mahindra Holidays & Resorts India Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the restrictions imposed by the Government of India on movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682B000257714

Place: Mumbai
Date: May 19, 2020

ANNEXURE VI TO THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2020

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS

i	CIN	L55101TN1996PLC036595
ii	Registration Date	September 20, 1996
iii	Name of the Company	Mahindra Holidays & Resorts India Limited
iv	Category / Sub-Category of the Company	Public Company Limited by Shares
v	Address of the Registered office and contact details	Mahindra Towers, 2nd Floor, 17/18 Patullos Road, Chennai – 600 002 T: +91 44 3988 1000 F: +91 44 3027 7778 E: investors@mahindraholidays.com W : www.clubmahindra.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent	KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 T: +91 40 6716 2222 F: +91 40 2300 1153 Toll free: 1800 345 4001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Income from sale of vacation ownership (VO)	55101	33.43
2	Annual Subscription Fee from VO members	55101	28.09
3	Income from sale of Food and Beverages	55101	13.51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Holding	67.31	2(46)
2.	Gables Promoters Private Limited No. 504, Block A, 5th Floor, Elante Office Suites, Plot No-178-178/A, Industrial Area, Phase 1, Chandigarh – 160 001	U45209CH2012PTC033473	Subsidiary	100	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
3.	Mahindra Hotels and Residences India Limited Mahindra Towers, 2nd Floor, 17/18 Patullos Road, Chennai – 600 002	U55101TN2007PLC063285	Subsidiary	100	2(87)(ii)
4.	Heritage Bird (M) Sdn. Bhd. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor, Malaysia	-	Subsidiary	100	2(87)(ii)
5.	MH Boutique Hospitality Limited No. 33/118-119 Wall Street Tower Building, 23rd Floor Surawongse Road, Suriyawongse District, Bangkok, Thailand	-	Subsidiary	49	2(87)(i)
6.	Infinity Hospitality Group Company Ltd@ No. 20 Soi Sukhumvit 7 (Lerdsin 2), Sukhumvit Road, North Klongtoey, Wattana, Bangkok, Thailand	-	Subsidiary	73.99	2(87)(ii)
7.	MHR Holdings (Mauritius) Ltd IFS Court, Twenty Eight Cyber City, Ebene - 72201, Mauritius	-	Subsidiary	100	2(87)(ii)
8.	Covington S.á.r.l.> 9, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg	-	Subsidiary	100	2(87)(ii)
9.	HCR Management Oy# Hitsaajankatu 22, 00810 Helsinki, Finland	-	Subsidiary	100	2(87)(ii)
10.	Holiday Club Resorts Oy# Hitsaajankatu 22, 00810 Helsinki, Finland	-	Subsidiary	100	2(87)(ii)
11.	Holiday Club Sweden AB$ Box 68, 83013 Åre, Sweden	-	Subsidiary	100	2(87)(ii)
12.	Ownership Service Sweden AB^ c/o Holiday Club Sweden AB, Box 68, 83013 Åre, Sweden	-	Subsidiary	100	2(87)(ii)
13.	Holiday Club Canarias Investment S.L.U.^ Avenida Ministra Anna Lindh No. 1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	100	2(87)(ii)
14.	Holiday Club Canarias Sales & Marketing S.L.U.+ Avenida Ministra Anna Lindh No. 1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	100	2(87)(ii)
15.	Holiday Club Canarias Resort Management S.L.U.+ Avenida Ministra Anna Lindh No. 1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	100	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
16.	Holiday Club Canarias Vacation Club SLU+ (formerly Passeport Sante SLU.) Avenida Ministra Anna Lindh No. 1, Amadores, Mogan 35130, Canary Islands, Spain	-	Subsidiary	100	2(87)(ii)
17.	Holiday Club Resorts Rus LLC$ Bolshaya Konushennaya str, 8. 191186 St-Petersburg, Russia	-	Subsidiary	100	2(87)(ii)
18.	Suomen Vapaa-aikakiinteistöt Oy$ c/o Holiday Club Resorts Oy, Lapinniemenranta 12 33180 Tampere	-	Subsidiary	100	2(87)(ii)
19.	Kiinteistö Oy Himos Gardens$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
20.	Kiinteistö Oy Vanha Ykköstii$ Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	100	2(87)(ii)
21.	Kiinteistö Oy Katinnurkka$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
22.	Kiinteistö Oy Tenetinlahti$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
23.	Kiinteistö Oy Mällösniemi$ c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	100	2(87)(ii)
24.	Kiinteistö Oy Rauhan Ranta 1$ c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	100	2(87)(ii)
25.	Kiinteistö Oy Rauhan Ranta 2$ c/o Holiday Club Resorts Oy Hitsaajankatu 22, 00810 Helsinki	-	Subsidiary	100	2(87)(ii)
26.	Kiinteistö Oy Tiurunniemi$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
27.	Kiinteistö Oy Rauhan Liikekiinteistöt 1$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
28.	Supermarket Capri Oy$ c/o Kauppakeskus Capri Oy Vipelentie 3-5, 55320 Rauha	-	Subsidiary	100	2(87)(ii)
29.	Kiinteistö Oy Kylpyläntorni 1$ c/o Holiday Club Isännöinti PL 618, 33101 Tampere	-	Subsidiary	100	2(87)(ii)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD*	APPLICABLE SECTION
30.	Kiinteistö Oy Spa Lofts 2$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
31.	Kiinteistö Oy Spa Lofts 3$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
32.	Kiinteistö Oy Kuusamon Pulkkajärvi 1$ c/o Holiday Club Isännöinti PL 619, 33101 Tampere	-	Subsidiary	100	2(87)(ii)
33.	Holiday Club Sport and Spahotels AB^ Box 68, 830 14 Åre, State Jamtlands Lan, Åre Kummun	-	Subsidiary	51	2(87)(ii)
34.	Åre Villa 3 AB^ c/o Holiday Club Sweden AB, Box 68, 830 14 Åre, Sweden	-	Subsidiary	100	2(87)(ii)
35.	Arabian Dreams Hotel Apartments LLC PO Box 31993, Bur Dubai, Al Rafaa, Dubai, United Arab Emirates	-	Joint Venture	49	2(6)
36.	Guestline Hospitality Management & Developement Services Limited 70/3, 2nd Floor, Millers Road, Adjacent to Cunningham Road, Bangalore – 560 052	U55101KA1994PLC015472	Associate	49.94	2(6)
37.	Kiinteistö Oy Seniori-Saimaa€ Villimiehenkatu 1, 53100 Lappeenranta	-	Associate	31	2(6)
38.	Tropiikin Rantasauna Oy~ c/o Kuusamon kaupunki, Keskuskuja 6 93600 Kuusamo, Finland	-	Joint Venture	50	2(6)

* Percentage holding in subsidiaries / associates represents the proportion of ownership interest of the Company

@ a subsidiary of MH Boutique Hospitality Limited

> a subsidiary of MHR Holdings (Mauritius) Limited

a subsidiary of Covington S.à.r.l

$ a subsidiary of Holiday Club Resorts Oy

^ a subsidiary of Holiday Club Sweden AB

+ a subsidiary of Holiday Club Canarias Investment S.L.U.

€ an associate of Holiday Club Resorts Oy

~ a Joint venture of Holiday Club Resorts Oy

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(I)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government /State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	8,98,90,615	-	8,98,90,615	67.31	8,98,90,615	-	8,98,90,615	67.31	0.00
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**8,98,90,615**	**-**	**8,98,90,615**	**67.31**	**8,98,90,615**	**-**	**8,98,90,615**	**67.31**	**0.00**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total A=A(1)+A(2)	**8,98,90,615**	**-**	**8,98,90,615**	**67.31**	**8,98,90,615**	**-**	**8,98,90,615**	**67.31**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	1,72,44,167	-	1,72,44,167	12.91	1,92,92,051	-	1,92,92,051	14.45	1.54
(b)	Financial Institutions /Banks	1,50,450	-	1,50,450	0.11	40,132	-	40,132	0.03	-0.08
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Portfolio Investors	74,59,606	-	74,59,606	5.59	71,88,839	-	71,88,839	5.38	-0.21
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	65,179	-	65,179	0.05	0.05
(i)	Others	-	-	-	-	-	-	-	-	-
	Alternate Investment Funds	5,84,829	-	5,84,829	0.44	7,95,826	-	7,95,826	0.60	0.16
	Sub-Total B(1) :	**2,54,39,052**	**-**	**2,54,39,052**	**19.05**	**2,73,82,027**	**-**	**2,73,82,027**	**20.51**	**1.46**

Category Code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	19,83,065	-	19,83,065	1.48	12,56,748	-	12,56,748	0.94	-0.54
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakhs	75,52,957	13,763	75,66,720	5.67	65,89,612	12,362	66,01,974	4.94	-0.73
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakhs	63,25,893	-	63,25,893	4.74	65,72,921	-	65,72,921	4.92	0.18
(c)	Others									
	Clearing Members	35,643	-	35,643	0.03	1,05,143	-	1,05,143	0.08	0.05
	Non Resident Indians	10,41,650	-	10,41,650	0.78	5,91,461	-	5,91,461	0.44	-0.34
	Trusts									
	1. Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	6,54,040		6,54,040	0.49	6,30,040	-	6,30,040	0.47	-0.02
	2. Other Trusts	6,113	-	6,113	0.00	5,513	-	5,513	0.00	0.00
	HUF	6,03,477	1	6,03,478	0.45	5,15,125	1	5,15,126	0.39	-0.06
	NBFC	7,232	-	7,232	0.00	1,736	-	1,736	0.00	0.00
	IEPF	283	-	283	0.00	480	-	480	0.00	0.00
	Sub-Total B(2) :	**1,82,10,353**	**13,764**	**1,82,24,117**	**13.64**	**1,62,68,779**	**12,363**	**1,62,81,142**	**12.18**	**-1.46**
	Total B=B(1)+B(2):	**4,36,49,405**	**13,764**	**4,36,63,169**	**32.69**	**4,36,50,806**	**12,363**	**4,36,63,169**	**32.69**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(a)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(b)	Public	-	-	-	-	-	-	-	-	-
	Total C	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A+B+C):	**13,35,40,020**	**13,764**	**13,35,53,784**	**100.00**	**13,35,41,421**	**12,363**	**13,35,53,784**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Mahindra & Mahindra Limited	8,98,90,615	67.31	0.00	8,98,90,615	67.31	0.00	0.00
	TOTAL	**8,98,90,615**	**67.31**	**0.00**	**8,98,90,615**	**67.31**	**0.00**	**0.00**

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

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
No change							

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

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	01/04/2019	Opening Balance	HDFC TRUSTEE COMPANY LIMITED	1,10,45,929	8.27	1,10,45,929	8.27
	12/04/2019	Purchase		15,500	0.01	1,10,61,429	8.28
	08/11/2019	Purchase		23,900	0.02	1,10,85,329	8.30
	06/12/2019	Purchase		1,50,000	0.11	1,12,35,329	8.41
	14/02/2020	Purchase		12,400	0.01	1,12,47,729	8.42
	28/02/2020	Purchase		8,800	0.01	1,12,56,529	8.43
	06/03/2020	Purchase		20,000	0.01	1,12,76,529	8.44
	13/03/2020	Purchase		84,868	0.06	1,13,61,397	8.51
	20/03/2020	Purchase		1,00,000	0.07	1,14,61,397	8.58
	31/03/2020	Closing Balance				1,14,61,397	8.58
2	01/04/2019	Opening Balance	GOVERNMENT PENSION FUND GLOBAL	47,40,000	3.55	47,40,000	3.55
	06/12/2019	Purchase		70,000	0.05	48,10,000	3.60
	06/03/2020	Sale		-2,80,000	-0.21	45,30,000	3.39
	20/03/2020	Sale		-4,656	0.00	45,25,344	3.39
	27/03/2020	Sale		-4,000	0.00	45,21,344	3.39
	31/03/2020	Closing Balance				45,21,344	3.39
3	01/04/2019	Opening Balance	SUNDARAM MUTUAL FUND A/C SUNDARAM MID CAP FUND	46,45,048	3.48	46,45,048	3.48
	19/04/2019	Purchase		8,272	0.01	46,53,320	3.48
	26/04/2019	Purchase		71,685	0.05	47,25,005	3.54
	03/05/2019	Purchase		29,322	0.02	47,54,327	3.56
	10/05/2019	Purchase		35,432	0.03	47,89,759	3.59
	17/05/2019	Purchase		69,051	0.05	48,58,810	3.64
	24/05/2019	Purchase		26,242	0.02	48,85,052	3.66
	31/05/2019	Purchase		980	0.00	48,86,032	3.66
	27/09/2019	Purchase		1,908	0.00	48,87,940	3.66
	29/11/2019	Sale		-1,584	0.00	48,86,356	3.66
	13/12/2019	Sale		-1,864	0.00	48,84,492	3.66
	20/12/2019	Sale		-2,10,497	-0.16	46,73,995	3.50
	31/03/2020	Closing Balance				46,73,995	3.50

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
4	01/04/2019	Opening Balance	PPFAS MUTUAL FUND - PARAG PARIKH LONG TERM EQUITY	11,03,664	0.83	11,03,664	0.83
	24/05/2019	Purchase		14,892	0.01	11,18,556	0.84
	07/06/2019	Purchase		23,102	0.02	11,41,658	0.85
	14/06/2019	Purchase		11,127	0.01	11,52,785	0.86
	21/06/2019	Purchase		52,275	0.04	12,05,060	0.90
	28/06/2019	Purchase		9,965	0.01	12,15,025	0.91
	12/07/2019	Purchase		5,148	0.00	12,20,173	0.91
	19/07/2019	Purchase		2,233	0.00	12,22,406	0.92
	26/07/2019	Purchase		21,530	0.02	12,43,936	0.93
	02/08/2019	Purchase		15,346	0.01	12,59,282	0.94
	09/08/2019	Purchase		23,211	0.02	12,82,493	0.96
	23/08/2019	Purchase		20,151	0.02	13,02,644	0.98
	30/08/2019	Purchase		1,04,114	0.08	14,06,758	1.05
	06/09/2019	Purchase		7,758	0.01	14,14,516	1.06
	27/09/2019	Purchase		3,750	0.00	14,18,266	1.06
	04/10/2019	Purchase		1,00,000	0.07	15,18,266	1.14
	11/10/2019	Purchase		2,28,000	0.17	17,46,266	1.31
	18/10/2019	Purchase		1,12,877	0.08	18,59,143	1.39
	01/11/2019	Purchase		5,631	0.00	18,64,774	1.40
	08/11/2019	Purchase		84,069	0.06	19,48,843	1.46
	29/11/2019	Purchase		30,950	0.02	19,79,793	1.48
	06/12/2019	Purchase		1,00,000	0.07	20,79,793	1.56
	13/12/2019	Purchase		45,492	0.03	21,25,285	1.59
	20/12/2019	Purchase		2,05,045	0.15	23,30,330	1.74
	27/12/2019	Purchase		1,650	0.00	23,31,980	1.75
	07/02/2020	Purchase		22,110	0.02	23,54,090	1.76
	14/02/2020	Purchase		6,205	0.00	23,60,295	1.77
	21/02/2020	Purchase		29,754	0.02	23,90,049	1.79
	28/02/2020	Purchase		19,851	0.01	24,09,900	1.80
	06/03/2020	Purchase		2,34,218	0.18	26,44,118	1.98
	13/03/2020	Purchase		2,10,083	0.16	28,54,201	2.14
	20/03/2020	Purchase		2,79,356	0.21	31,33,557	2.35
	27/03/2020	Purchase		7,451	0.01	31,41,008	2.35
	31/03/2020	Purchase		11,585	0.01	31,52,593	2.36
	31/03/2020	Closing Balance				31,52,593	2.36
5	01/04/2019	Opening Balance	PARVEST EQUITY INDIA	8,54,010	0.64	8,54,010	0.64
	05/04/2019	Purchase		54,936	0.04	9,08,946	0.68
	12/04/2019	Purchase		9,823	0.01	9,18,769	0.69
	31/05/2019	Purchase		37,587	0.03	9,56,356	0.72
	07/06/2019	Purchase		14,679	0.01	9,71,035	0.73
	19/07/2019	Purchase		46,345	0.03	10,17,380	0.76
	31/03/2020	Closing Balance				10,17,380	0.76

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
6	01/04/2019	Opening Balance	MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED EMPLOYEES' STOCK OPTION TRUST	6,54,040	0.49	6,54,040	0.49
	07/02/2020	Sale		-12,000	-0.01	6,42,040	0.48
	14/02/2020	Sale		-12,000	-0.01	6,30,040	0.47
	31/03/2020	Closing Balance				6,30,040	0.47
7	01/04/2019	Opening Balance	EMERGING MARKETS CORE EQUITY PORTFOLIO	5,01,277	0.38	5,01,277	0.38
	19/07/2019	Purchase		3,060	0.00	5,04,337	0.38
	26/07/2019	Purchase		3,810	0.00	5,08,147	0.38
	08/11/2019	Sale		-3,128	0.00	5,05,019	0.38
	06/03/2020	Sale		-4,020	0.00	5,00,999	0.38
	20/03/2020	Sale		-5,848	0.00	4,95,151	0.37
	31/03/2020	Closing Balance				4,95,151	0.37
8	01/04/2019	Opening Balance	KALA HIRALAL DOSHI	4,75,000	0.36	4,75,000	0.36
	17/05/2019	Sale		-2,37,500	-0.18	2,37,500	0.18
	07/06/2019	Sale		-2,37,500	-0.18	0	0.00
	29/11/2019	Purchase		4,75,000	0.36	4,75,000	0.36
	31/03/2020	Closing Balance				4,75,000	0.36
9	01/04/2019	Opening Balance	BNP PARIBAS EQUITY FUND	4,49,500	0.34	4,49,500	0.34
	26/07/2019	Purchase		15,000	0.01	4,64,500	0.35
	15/11/2019	Sale		-28,000	-0.02	4,36,500	0.33
	22/11/2019	Sale		-8,100	-0.01	4,28,400	0.32
	29/11/2019	Sale		-51,876	-0.04	3,76,524	0.28
	06/12/2019	Sale		-46,524	-0.03	3,30,000	0.25
	13/12/2019	Sale		-30,000	-0.02	3,00,000	0.22
	06/03/2020	Sale		-50,000	-0.04	2,50,000	0.19
	13/03/2020	Sale		-2,50,000	-0.19	0	0.00
	31/03/2020	Closing Balance				0	0.00
10	01/04/2019	Opening Balance	SUNDARAM INDIA MIDCAP FUND	4,30,994	0.32	4,30,994	0.32
	31/03/2020	Closing Balance				4,30,994	0.32
11	01/04/2019	Opening Balance	HARDIK BHARAT PATEL	0	0.00	0	0.00
	20/03/2020	Purchase		9,43,146	0.71	9,43,146	0.71
	31/03/2020	Closing Balance				9,43,146	0.71
12	01/04/2019	Opening Balance	EMKAY EMERGING STARS FUND	3,70,729	0.28	3,70,729	0.28
	21/06/2019	Purchase		55,951	0.04	4,26,680	0.32
	28/06/2019	Purchase		12,966	0.01	4,39,646	0.33
	05/07/2019	Purchase		2,344	0.00	4,41,990	0.33
	12/07/2019	Purchase		15,792	0.01	4,57,782	0.34
	19/07/2019	Purchase		1,689	0.00	4,59,471	0.34
	26/07/2019	Purchase		45,255	0.03	5,04,726	0.38
	09/08/2019	Purchase		5,04,726	0.38	10,09,452	0.76
	09/08/2019	Sale		-5,04,726	-0.38	5,04,726	0.38
	31/03/2020	Closing Balance				5,04,726	0.38

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Date	Reason for Increase / Decrease	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	01/04/2019	Opening Balance	Arun Nanda	12,66,945	0.95	12,66,945	0.95
	31/03/2020	Closing Balance				12,66,945	0.95
2.	01/04/2019	Opening Balance	Cyrus Guzder*	40,050	0.03	40,050	0.03
	31/03/2020	Closing Balance				40,050	0.03
3.	01/04/2019	Opening Balance	Rohit Khattar	40,050	0.03	40,050	0.03
	31/03/2020	Closing Balance				40,050	0.03
4.	01/04/2019	Opening Balance	Sridar Iyengar	10,313	0.01	10,313	0.01
	31/03/2020	Closing Balance				10,313	0.01

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

* On March 20, 2020, Mr. Cyrus Guzder transfered his entire stake from one demat account to other demat account and hence, there is no change in the shareholding at the end of the year.

V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01/04/2019				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition		Nil		
• Reduction				
Net Change				
Indebtedness at the end of the financial year 31/03/2020				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Kavinder Singh (Managing Director & CEO)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	450.58	450.58
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	14.09	14.09
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option related perquisites	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	**464.67**	**464.67**
	Ceiling as per the Act	₹ 645 lakhs (being 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

B. Remuneration to other directors:

(₹ in lakhs)

Particulars of Remuneration	Name of Directors								Total Amount
	Arun Nanda	Cyrus Guzder	Rohit Khattar	Sanjeev Aga	Sridar Iyengar	Radhika Shastry^	Sangeeta Talwar#	V S Parthasarathy	
Independent Directors									
• Fees for attending board / committee meetings	-	6.40	7.40	6.50	7.70	3.90	1.00	-	32.90
• Commission*	-	16.50	16.00	16.00	16.50	11.00	3.00	-	79.00
• Others, please specify	-	-	-	-	-	-		-	-
Total (1)	**-**	**22.90**	**23.40**	**22.50**	**24.20**	**14.90**	**4.00**	**-**	**111.90**
Other Non-Executive Directors									
• Fees for attending board / committee meetings	6.80	-	-	-	-	-	-	-	6.80
• Commission	50.00	-	-	-	-	-	-	-	50.00
• Others, please specify	-	-	-	-	-	-	-	-	-
Total (2)	**56.80**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**56.80**
Total (B)=(1+2)	**56.80**	**22.90**	**23.40**	**22.50**	**24.20**	**14.90**	**4.00**	**-**	**168.70**
Total Managerial Remuneration (A+B)									**633.37**
Overall Ceiling as per the Act (A+B)	₹ 774 lakhs (being 6% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

* The Commission for the financial year ended March 31, 2020 will be paid to the Non-Executive Directors, subject to deduction of tax, after adoption of financial statements by the Members at the ensuing Annual General Meeting.

^ Ceased to be a Director w.e.f. December 26, 2019.

Appointed as a Director w.e.f. February 1, 2020.

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
		Dhanraj Mulki	Akhila Balachandar	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	71.81	128.13	199.94
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	0.29	4.70	4.99
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option related perquisites	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit -others, specify...	-	-	-
5.	Others, please specify	-	-	-
	TOTAL	**72.10**	**132.83**	**204.93**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE VII TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020

A) Conservation of energy:

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

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

- Installation of Solar Energy for hot water generation at resorts
- Replacement of hot water diesel generators with installation of energy efficient heat pumps at resorts for air-conditioning and space heating
- Replacement of conventional 70 watts fans with 28 watts BLDC fans
- Provision of independent solar pathway / garden lights. Timers for external lighting and installation of energy efficient LED lighting at resorts
- Maintaining power factor to 0.99
- Replacement of electric geysers with energy efficient heat pumps
- Water flow restrictors installation has helped in saving energy as lower water consumption reduces energy consumption required for pumping, heating and treatment etc.
- Natural food waste composting bins to convert food waste to manure – eliminated use of waste composting machines which consumes power

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

- Renewable energy through solar power
- Hot water generation through heat pump instead of diesel boilers
- Electric vehicles for internal mobility at resorts
- Rain water harvesting

(iii) The capital investment on energy conservation equipment: ₹ 300 lakhs.

B) Technology absorption:

i. The efforts made towards technology absorption: Not Applicable

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

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

a) The details of technology imported;

b) The year of import;

c) Whether the technology been fully absorbed;

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

iv. The expenditure incurred on Research and Development: Not Applicable

(C) Foreign Exchange earnings and outgo:

Foreign Exchange Earnings & Outgo during the year under review are as follows:

(₹ in lakhs)

Total Foreign Exchange Earnings & Outgo	For the financial year ended March 31, 2020	For the financial year ended March 31, 2019
Foreign Exchange Earnings	413.90	426.94
Foreign Exchange Outgo (including remittance of Dividend)	5,266.29	5,404.12

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

ANNEXURE VIII TO THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020

Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each director to the median employees' remuneration for the Financial Year**

Name of the Directors	Ratio to median remuneration
Non-Executive Directors*	
Mr. Arun Nanda	20:1
Mr. V S Parthasarathy	-
Mr. Cyrus Guzder	8:1
Mr. Sridar Iyengar	8:1
Mr. Sanjeev Aga	8:1
Mr. Rohit Khattar	8:1
Mrs. Sangeeta Talwar^	1:1
Ms. Radhika Shastry#	5:1
Executive Directors	
Mr. Kavinder Singh	157:1

* The remuneration of Non-executive directors covers sitting fees and commission.

^ Appointed as an Independent Director w.e.f. February 1, 2020

Ceased to be an Independent Director w.e.f. December 26, 2019

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

Name of the Directors, Chief Financial Officer and Company Secretary	Percentage increase in remuneration
Mr. Arun Nanda	10.1%
Mr. V S Parthasarathy*	N.A.
Mr. Cyrus Guzder	-3.4%
Mr. Sridar Iyengar	23.5%
Mr. Sanjeev Aga	23.6%
Mr. Rohit Khattar	29.3%
Mrs. Sangeeta Talwar^	N.A.
Ms. Radhika Shastry#	-13.9%
Mr. Kavinder Singh, Managing Director & CEO	10.0%
Mrs. Akhila Balachandar, Chief Financial Officer	10.5%
Mr. Dhanraj Mulki, General Counsel & Company Secretary@	N.A.

* Not drawing any remuneration from the Company

^ Appointed as a Director w.e.f. February 1, 2020

Ceased to be a director w.e.f. December 26, 2019

@ Appointed w.e.f. October 16, 2018 and was not eligible for increment during FY 2019-20 as per the Remuneration Policy of the Company.

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

The percentage increase in the median remuneration of the employees in the financial year was around 11%. The calculation of percentage increase in median remuneration is done based on comparable employees and for this purpose, we have excluded employees who were not eligible for any increment.

4. **The Number of permanent Employees on the rolls of the Company:** 5,518

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

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel during the Financial Year 2019-20 was around 9.10%, while the average increase in the remuneration of the Key Managerial Personnel was around 10.25%. The remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

While recommending the increase in remuneration of its employees, the Company considered overall organisation performance, industry benchmarking, cost of living adjustment/inflation apart from individual performance on the basis of Balanced Scorecard approach.

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

The performance of the Company has bearing on the quantum of variable pay declared for employees across senior and middle levels.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid is as per the policy for Remuneration of the Directors, Key Managerial Personnel and Employees.

For and on behalf of the Board

Arun Nanda
Chairman
DIN: 00010029

Place: Mumbai
Date: May 19, 2020

Management Discussion and Analysis

Mahindra Holidays & Resorts India Limited ('Mahindra Holidays', 'MHRIL' or 'the Company') is a leading player in the leisure hospitality industry in India. Founded in 1996, the Company has established vacation ownership business in India and is a market leader in the vacation ownership business with over 2.58 lakhs members. Together with its Finnish subsidiary, Holiday Club Resorts (HCR), Mahindra Holidays has over 3.2 lakhs members and 100+ resorts in India, Asia, Europe and USA, making it the largest vacation ownership company outside the USA and among the Top 7 vacation ownership companies in the world.

In addition, Mahindra Holidays also offers its members access to 4,300+ RCI affiliate resorts worldwide, opportunity to holiday at other popular destinations in India and abroad through its exchange programmes and unique membership privileges — an unmatched range of travel and lifestyle experiences — which differentiates it within the leisure hospitality industry.

This Management Discussion and Analysis (MDA) Report presents an overview of the operational and financial performance of the Company. It also discusses the macroeconomic environment and opportunities, Mahindra Holidays' strategy and important initiatives taken by it during the year. We begin with highlights of the Company's performance in 2019-20 (Box 1).

Box 1: MHRIL's Performance in 2019-20 — Key Highlights

- **Mahindra Holidays added 15,697 members to its vacation ownership business in 2019-20 — taking the cumulative membership base to over 2.58 lakhs at the end of 2019-20.** This represents a compounded annual growth rate (CAGR) of 7.1% in membership over the last five years. This performance is even more creditable given the broad-based slowdown in 2019-20, further exacerbated by the COVID-19 pandemic towards the end of the financial year. A more detailed discussion is presented in the sections on 'Macroeconomic Environment and Opportunities' and 'Business Performance – Membership'
- **The Company offers 100+ resort options to its members, including 33 resorts of its Finnish subsidiary Holiday Club Resorts (HCR) and affiliate resorts in USA. The Company added 224 room units during the year and the total room inventory stands at 3,732 units across 70 resorts excluding HCR.** Additions happened though expansion of its existing resort at Ashtamudi and new inventory arrangements at several new destinations — Rishikesh, Agra, Bandhavgarh, Khajuraho, Mysore and at a golf resort near Bengaluru. International presence also expanded with inventory tie-ups in Pattaya, Phuket and Bhutan. The section on 'Business Performance – Properties and New Projects' provides further details.
- Focus on the Company's strategic priorities continued during the year. In the area of 'experience ecosystem', the Company introduced various offerings under 'Club M Select', inventory exchange programme and curated holidays were expanded. Member engagement was enhanced through 'Heart-to-Heart' events. This combined with the use of digitisation and advanced analytics to personalise offers and experiences contributed towards enhancing 'Member Life Time Value'. Several successful marketing and brand building campaigns and engagement efforts were carried out during the year utilising digital content on mobile and social media platforms. The section on 'Strategic Priorities' provides a more comprehensive review of these activities.
- Post-holiday feedback scores, which measures satisfaction for member holiday experience at resorts, have shown consistent improvement since the inception of the programme. Despite the impact of floods and heavy rains in the second quarter and COVID-19 crisis in March 2020, the Company achieved an occupancy of 80.3% at resorts in 2019-20. Key operational metrics of superior member experience — be it referrals, product upgrades — have shown considerable improvement. Further details are available in the sections on 'Resort Operations', 'Member Experience' and 'Business Excellence'.
- The COVID-19 pandemic, which proliferated in India in March 2020, will have a wide-ranging impact on the economy specifically in the travel and tourism sector. Protective measures to combat the health crisis resulted in a nationwide lockdown starting March 25, 2020. While the impact on Mahindra Holidays' performance in 2019-20 was limited due to the timeline of events, future performance will depend on how the Company adapts and prepares itself for the realities of a post-COVID world. The Company's approach in this respect is discussed in greater detail in the sections on 'Threats, Risks and Concerns' and 'Outlook', whereas its preparedness for resuming day-to-day operations at resorts are covered in 'Resort Operations'.

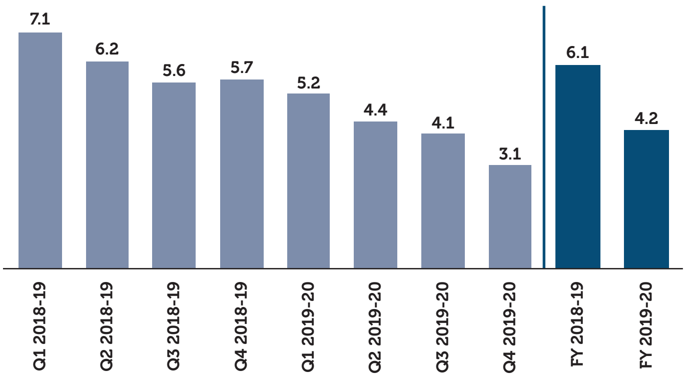
Macroeconomic Environment and Opportunities

The world economy witnessed yet another year of poor economic performance with significant deceleration of growth in 2019. According to the International Monetary Fund (IMF), global economic growth came down to 2.9% in 2019 from 3.6% in 2018. Not only is this a decadal low, the slowdown was broad-based, affecting both advanced economies and the developing world.

India's economic growth also decelerated considerably in 2019-20 — with GDP growing at 4.2% in 2019-20, compared

to 6.1% in the previous year. Not only did the economic growth slow down as the year progressed (See Chart A), but there was also dampening of consumer sentiment — affecting the spends on discretionary categories such as holidays, and in turn the Company's performance.

Chart A: GDP Growth Rate (%)



The growth outlook for 2020-21 remains uncertain due to the COVID-19 crisis. Even with the baseline scenario of the pandemic fading in the second half of 2020, the IMF projects world output to contract by 3%. India, too, will see a significant deceleration in economic activity. But, according to IMF, it will still be among the few economies to record a positive growth of 1.9% in 2020. The Reserve Bank of India (RBI) also expects a sharp turnaround in India's performance once containment efforts are unwound and economic activity normalises.

As far as the travel and tourism industry is concerned, the long-term fundamentals remain strong. The vacation ownership industry, with its loyal membership base, has an even more favourable risk profile. To be sure, it will be impacted by the COVID-19 crisis in the immediate future. It is also likely that there are more lasting changes in holidaying preferences — for instance greater interest in domestic destinations, within drivable distances — and heightened expectations in terms of safety and hygiene. Mahindra Holidays expects its members to begin holidaying at its resorts, once the travel restrictions are eased off. The Company with its large network of resorts in India and an unparalleled experience ecosystem is well positioned to take advantage of the expected recovery in domestic travel.

Strategic Priorities

Mahindra Holidays believes that there is a significant potential for further growth of vacation ownership industry in India as the market penetration is still very low. If one compares the Indian vacation ownership industry with the USA in terms of its share in the hospitality sector, the scope for growth in India is at least five times that of its current size. Similar conclusions can be drawn if one considers other surrogates such as ownership and sale of cars. This is also reflected in faster growth in domestic tourism, a trend that is likely to accelerate further in the post-COVID scenario.

Considering the competitive landscape, key trends in the leisure travel and shifts in media consumption trends, the Company has identified three key strategic priorities to differentiate itself in the market and benefit from the opportunities. These are given below.

Building an 'Experience Ecosystem'

The objective is to strengthen the 'Club' value proposition of the Club Mahindra brand by building an extensive experience ecosystem offering unparalleled choice of experiences, destinations and itineraries. While providing immersive holiday experiences continues to be at the core of the Club Mahindra offering, the idea is to go beyond that and offer unique privileges and services to its members even outside the 7-day holiday period in a year.

In 2019-20, there was significant consolidation of the work in this area. A roundup of important elements of the experience ecosystem is given in Box 2.

Box 2: The Club Mahindra 'Experience Ecosystem'

- **Choice of Resorts:** Mahindra Holidays added nine resorts during the year and the resorts count is now 70. Including 33 additional resorts through its Finnish Subsidiary HCR, members have **access to 100+ resorts in India, Asia, Europe and USA.**
- **'Club M Select'** is an exclusive subscription programme which allows enrolled members access to several luxury lifestyle offerings such as **gourmet dining, access to golf clubs, movie pass, yoga studios, international cruises, yachts and over four lakhs hotels in India and worldwide; and over 70,000 international excursions** — all at very attractive rates. It has a dedicated helpdesk and is fully integrated with the Company's website for seamless bookings and payments.
- **'Dreamscapes'** is an online platform that offers a wide variety of **in-city experiences curated for members** with preferential rates and end-to-end support for instant bookings and payments.
- **Curated Holidays** are **itinerary-based complete holiday experiences** including accommodation, food, sightseeing and transfers covering **popular destinations in India and around the world** such as 'Blissful Bali', 'Amazing Andamans', 'Greece Mythology', 'Treasures of Turkey', 'Ranthambhore Wild Trails' and 'Thundering Roars of Tadoba'

- **Weekend Getaways** were introduced during the year with **100+ villas in popular getaway destinations** across India. Includes well-appointed properties with all basic amenities and special rates for the members.
- **Exchange programme** to expand the set of destinations. Members can exchange their Club Mahindra room nights for stays in **top-rated hotel chains and cruise experiences**. In 2019-20, the coverage increased to over **190 hotels in more than 100 locations in India and abroad.**

Enhancing 'Members Life Time Value'

The objective is to enhance the 'Member Life Time Value' — contribution of members to the Company throughout the membership period — by designing activities and services at resorts that members would like to avail during their holidays or through generating upgrades and referrals. This has been achieved through deeper member engagement both within and outside the resorts as well as use of digitisation and advanced analytics to personalise offers and experiences. The important initiatives are given in Box 3.

Box 3: Enhancing 'Member Life Time Value'

- **'Heart-to-Heart'** events are **in-city member meets** which include leisure and edutainment activities for member families. The idea is to engage with members beyond the holiday period, address their concerns and generate referrals. During the year, coverage of these events was expanded further to Tier 2 and Tier 3 cities. **Around 11,000 members and their families participated in these events in 2019-20.**
- **The resort recommendation engine** was upgraded to improve the accuracy and offer **personalised resort recommendations over a sliding time-frame of 1 – 90 days** as opposed to fixed windows of next 15, 30 and 60 days earlier. These recommendations are based on a machine learning algorithm that utilises profile and past booking preferences of members.
- **A resort inventory yield optimisation model** was implemented during the year to better manage inventory in high demand resorts, **allowing more members access and increase occupancies** in the process. This was piloted in selected resorts during the year and will be extended to other resorts.
- **Full automation of membership upgrade process** including information on season and rooms upgrade options available to the member and online payments through the website or the mobile app.
- The online **pre-purchase catalogue was expanded considerably** during the year. These advance purchase options — such as F&B, spa and holiday activities as well as local travel — are available to members at the time of booking along with payment gateway infrastructure to seamlessly close the transaction.

In 2019-20, member upgrades have increased significantly. Resort income has increased from ₹ 220 crore in 2018-19 to ₹ 228 crore in 2019-20. This is significant considering the loss in occupancy in the second quarter during floods and heavy rains in Kerala, Coorg, Himachal Pradesh, Uttarakhand and Maharashtra as well as the COVID-19 crisis towards the end of the financial year.

For its efforts in the area of digitisation and analytics, the Company received three recognitions at the DMA Asia Echo Awards 2019: (i) Bronze for Travel and Hospitality sector, (ii) Bronze for Best Customer Loyalty Campaign, and (iii) Bronze for Best Use of Data-Driven Technology.

Focus on 'Digital-Mobile-Social'

Another strategic priority for the Company has been to reinvent its marketing strategy around digital formats and platforms in line with media consumption trends which favour mobile devices and social media. The thrust for marketing and brand building activities has been to bring alive the 'Club Mahindra' experience and generate a pull for the brand by making it more aspirational and exciting. Some of the key initiatives and achievements in 2019-20 are presented in Box 4.

Box 4: Reinventing Marketing — Key Initiatives

- **Video Content:** MHRIL continued to create engaging video content **that showcases resorts and gives a flavour of the unique experiences at Club Mahindra** — from staying in a treehouse with a view of the Himalayas, learning the art of pottery, experiencing a traditional ayurvedic massage to dining like the royals at the 'Raja Rani dinner.' **An all new film was launched with popular actress and television host Ms. Mandira Bedi, narrating the reasons to become a Club Mahindra member** — capturing destinations, experiences, privileges and indulgences that makes the membership a unique proposition.
- **Social Media:** Social media channels are one of the key pillars of brand building in today's environment. Mahindra Holidays leverages them to engage with members and prospects through strategic targeting and platform tailored content. Besides, member-generated photos and content, interactive digital activities and topical campaigns generate increased reach and engagement across channels.

- **Brand Campaign:** To create brand affinity and enhance interest in MHRIL's resorts and experiences. On **World Family Day**, first page of India's leading daily, The Times of India, was transformed into an origami art project for families to 'come together, fold together and unfold magical moments' — an immersive experience that garnered **3.3 million views and made the campaign trend at #3 on Twitter**. Focussed efforts were made to communicate the fact that the **members can now holiday at 100+ resorts in India and abroad**. This milestone was **amplified across TV, print and digital media under the 'Holiday Goals' campaign** that showcases its stunning resorts and brings alive the magic of Club Mahindra.
- **Innovative Consumer Engagement:** Several innovative consumer-connect campaigns were carried out during the year to create excitement around the brand. These included partnership with **"Spiderman: Far From Home" for the members and prospects** and a 360-degree engagement on Children's Day with **Ruskin Bond telling the stories of Christmas on social media,** an augmented reality print ad in the Times of India and **#MeetTheRealSanta contest — inviting children to write a letter to the 'Real Santa' at the Santa Village in Finland.** This was taken forward with exciting themed events in malls and creation of Santa Village in key resorts.
- **Resort Campaign:** Mahindra Holidays continued to excite members and guests at its resorts with specially curated activities and events like **'Magical Monsoons', 'Rajasthan Heritage Trails', 'Tea & Coffee Trails'**. During the year, it also launched **'20 types of Theme Nights'** across resort locations. These campaigns helped create unique and memorable experiences for the members and their families.

In recognition of its efforts, Mahindra Holidays won the Times Travel Awards 2019 — India's Most Popular Resort Chain. The World Family Day campaign received two awards: (i) Silver at DMA Marketing Awards 2019, and (ii) Silver for Best Use of Print at Indian Marketing Awards 2019.

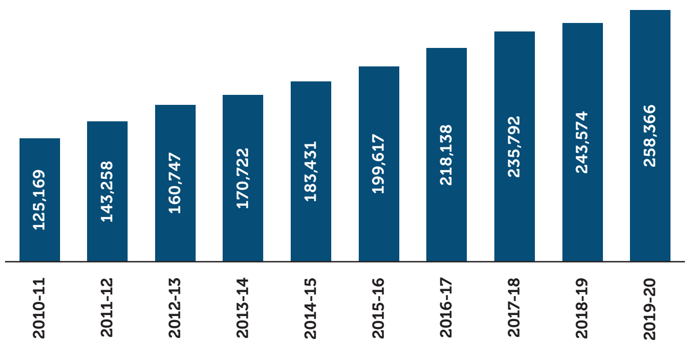
Business Performance

Membership

'Club Mahindra' is the Company's flagship product in the vacation ownership business, which entitles its members a week's holiday every year for a period of 25 years. It also markets **'Bliss'** — a flexible points-based product targeted at the 50 plus age group — which offers a week's holiday every year for 10 years.

During 2019-20, the Company added 15,697 members. After accounting for retirements, the total membership grew to 258,336 as on March 31, 2020 — representing a CAGR of 7.1% in membership over the last five years. Chart B provides data on the cumulative membership for the last 10 years.

Chart B: Cumulative Vacation Ownership Membership



Note: Membership includes all vacation ownership products of the Company

The performance is creditable given the subdued macroeconomic environment and poor consumer sentiment towards discretionary purchases during the year. Besides, customer acquisition efforts were significantly affected due to the COVID-19 crisis in the fourth quarter of 2019-20, which has historically been the Company's best performing period.

The strong member addition is a result of concerted efforts made by the Company on several fronts. First, continued success of Company's pull-based digital and referral leads reinforced with encouraging contribution through alliances and corporate partnerships, which increased significantly during the year. Second, with pan-India extension of its sales and marketing efforts, 'Bliss' has also contributed to the overall performance.

The Company continues to benefit from its large geographic reach, including high-potential Tier 2 and Tier 3 cities, which have gradually been increasing their contribution to the sales mix. At the end of 2019-20, Mahindra Holidays was present in 120+ locations in India through a network of branch offices, sales offices, onsite teams and channel partners. In addition, the Company has presence in seven other countries with significant Indian population to market its products.

'Club Mahindra Fundays', is a corporate product which allows enrolled organisations to offer holiday entitlements to its employees either as a part of their reward and recognition programme or as an employment perquisite. During the year, this product performed satisfactorily, with signing up of new accounts and an increase in the number of room nights utilised.

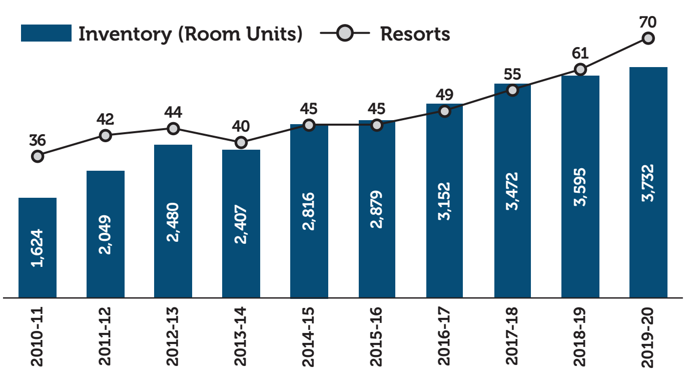
'GoZest', is a three-year points-based product aimed at millennial travellers. It is an experiential product designed to give the 'Club Mahindra' experience to the young target group and generate interest for the core offering. During the year, the product was launched for the targeted market segments and in select geographies. 'GoZest' members are also the prospects for conversion to the 25-year product of the Company.

Properties and New Projects

Mahindra Holidays currently has a pan-India presence through its extensive network of resorts across destinations including hill stations, beaches, backwaters, wildlife sanctuaries, forts and heritage destinations. It is also present in international destinations such as Bangkok, Kuala Lumpur, Singapore, Dubai, Colombo and Orlando. In addition, Club Mahindra members have a choice to visit HCR's 33 resorts in Finland, Sweden and Spain (Gran Canaria).

Mahindra Holidays added 224 room units in 2019-20 and the total inventory stands at 3,732 units across 70 resorts by the end of the year. Including its Finnish subsidiary HCR's 33 resorts, the Company achieved the landmark of offering 100+ resorts to its members. Additions to the inventory during the year happened though expansion of its existing resort at Ashtamudi and new inventory arrangements at several tourist destinations — Rishikesh, Agra, Bandhavgarh, Khajuraho, Mysore and at a golf resort near Bengaluru. International presence also expanded with inventory tie-ups in Pattaya, Phuket and Bhutan. Chart C provides information on growth of number of resorts and room inventory in the last 10 years.

Chart C: Number of Resorts & Cumulative Inventory (Room Units)



In line with the Company's strategy, majority of the inventory is owned by it. In cases where resorts are under long-term lease arrangements, it manages the resorts to ensure delivery of complete range of services to its members and ensures consistent experience in both owned and leased properties.

Increasing room inventory in line with membership additions is a key focus area. **The Company is currently undertaking two projects: a greenfield project at Assanora (Goa) and an expansion project at Ashtamudi (Kerala). These are being implemented in phases, which will eventually add close to 250 units. In 2020-21, around 150 units are expected to be added.** In addition, a 140 units expansion project at Kandaghat (Himachal Pradesh) and two new greenfield projects in Theog (Himachal Pradesh) and Undi (Ganpatipule, Maharashtra) are in planning and approvals stage.

Mahindra Holidays is also pursuing attractive opportunities for acquisition and leases in various parts of the country. It has land bank at ten destinations across five states. Some of the existing resorts also have additional land that can be utilised for further expansion. This provides the flexibility to build at such destinations and add room inventory on an ongoing basis. The Company is evaluating the opportunity and development potential at some of these locations.

Resort Operations

Efficient resort operations and thoughtfully designed, engaging resort amenities are central to delivering immersive holiday experiences. This encompasses three key areas: infrastructure and facilities, holiday activities and F&B. During 2019-20, focus continued to be on improvements and innovation across all these fronts.

In 2019-20, the Company made significant investments in upgrading rooms, renovation of public areas and amenities such as spa and banquets across several resorts. **'Host' and 'Champs' programme**, which have been instrumental in enhancing member engagement at resorts and delivering quality holiday experiences, now cover all managed resorts by the Company.

Holiday activities are central to delivering a complete holiday experience. At Mahindra Holidays, these activities are institutionalised under the banner of **'Happy Hub' built around a strategy of 'do-learn-connect'**. These include outdoor, action-oriented activities, customised table games, learning new forms of arts, skills or picking up hobby project and connecting with other holidaying families through group activities. This was extended to all managed resorts during the year.

In another important initiative during the year, **'20 types of Theme Nights'** were launched across resorts, which involves delivering theme-based experiences including theme decor, uniforms and F&B to the members. All managed resorts carry out an allocated number of such theme events — for instance Retro to Metro, Carnival Night, Flavours of India, Bollywood Night, The Great Gatsby, Royal Maharaja — as a part of their events calendar.

Box 5: Resort Awards and Certifications

Mahindra Holidays has the unique distinction of having 32 RCI Gold Crown and 3 Silver Crown resorts in India, which bears testimony to the high standards of resort facilities, amenities and services that its resorts offer.

Fifteen resorts are certified under ISO 22000, which is an international accreditation recognising enhanced food hygiene and safety. Further, 22 of the Company's resorts have obtained FSSAI Hygiene Certificate.

In 2019-20, Club Mahindra Varca won 'Times Hospitality Icons' as well as '5 Star Timeshare Resort' awards. Emerald Palms, Goa, won 'Best of India – Biz Award' in category of Best Family Hotel during the year. Club Mahindra Gangtok was awarded the Best Eco Friendly Resort in Sikkim by the Government of Sikkim and Club Mahindra Kanha was adjudged as the 'Green Hotel of the Year (Upscale to Mid-Market category)' at the Hoteliers India Awards.

In F&B, efforts are continuously undertaken to make the dining experience more exciting and fulfilling. During the year, the Company launched its speciality seafood restaurant Meen Kada at Cherai and Bakers Café at Pondicherry. Its **'All Inclusive' F&B plan** — a bundled value-for-money offering with a choice of different dining options — continues to be popular among the members. This was also bundled with the theme nights to offer an immersive experience.

Box 6: COVID-19 — Preparedness at Resorts

The Company is proactively preparing for measures to ensure the safety and well-being of its employees and members at the resorts, after the travel restrictions are removed. Some elements of the Company's preparedness at resorts are presented below:

- All resort standard operating procedures (SOPs) are being revised keeping in mind post-COVID norms of screening of employees and members, implementing social distancing, and maintaining high levels of sanitisation and hygiene standards. More so in processes where member contact is involved such as check-in and check-out, F&B and housekeeping. Entirely new concepts and avenues for member engagements are being designed to provide experiential and safe holidays to the members.
- Processes are in place for strict monitoring of vendors and suppliers for their hygiene practices. Through the Company's community outreach programmes in schools and villages around the resorts, it intends to create greater awareness on COVID-19 dos and don'ts as well as important hygiene and safe practices.
- During the lockdown, essential maintenance at the resorts, including housekeeping, garden and landscaping were effectively carried out by prechecked employees, self-quarantined within the premises. Processes are in place for medical and administrative checks of employees before they join active service.

Mahindra Holidays has institutionalised post-holiday feedback (PHF), which encompasses all key areas of resort operations. This serves as a measure of its success in delivering quality holiday experience as well as identifying and addressing member concerns. The Company continues to make its PHF programme complete and robust. PHF scores have shown consistent improvement since the inception of the programme.

Member Experience

Mahindra Holidays' journey towards excellence in member services is about ensuring high levels of satisfaction in all its interactions with members, thus improving their holistic experience with the Club Mahindra brand. At the core of this is a member centric mindset as well as a drive for continuous improvement through member feedback and engagement at every touchpoint — aided by appropriate technological and digital interventions.

Several initiatives were carried out in 2019-20 to improve member experience at the Company's online assets — both its website and mobile app for members — which contribute to 85% of the bookings. For instance, service request and complaint modules were introduced on the mobile app and website, enabling members to raise their queries digitally. It also introduced the option to book international holidays online, which was earlier done only through the contact centre.

Getting eligible members to avail their holidays has been an important focus area. This includes handholding new members throughout the onboarding process — including proactively assisting them in booking their first holiday.

Holiday bookings were affected in the second quarter due to floods and heavy rains in Kerala, Coorg, Himachal Pradesh, Uttarakhand and Maharashtra. Besides, holiday bookings started coming down towards the beginning of March due to the COVID-19 crisis, with March 2020 being most affected with an occupancy of 47%. **Despite these events, Mahindra Holidays held onto its performance in terms of unique member holidays. More significantly, even with an increase in inventory and factors mentioned above, the Company achieved an occupancy rate of 80.3% in 2019-20 compared to 83% in the previous year.**

All key operational metrics of effective 'member experience' — be it referrals, product upgrades have shown considerable improvement in 2019-20, despite COVID-19 crisis impacting the performance in March 2020.

Business Excellence

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. The Company has successfully institutionalised quality systems in all critical business functions. Some of the key developments are discussed below:

Promoting a culture of continuous improvement by institutionalising Kaizens as a way of life has been at the centre of the Company's efforts towards business excellence. The impact of these projects has also been amplified by the online portal which acts as a repository and a tool for Company-wide deployment, resulting in important efficiency gains and cost savings. This was taken a step further during 2019-20 with the launch of the 'i2i' mobile app — a user friendly platform for submission of ideas for innovation and sharing best practices, including Kaizens.

Continuous learning is at the centre of our journey towards excellence and the e-learning platform launched last year has played an important role in this regard. **In 2019-20, four new e-learning modules were created and over 13,000 certifications were completed.**

The Company has also implemented CAPA (Corrective Actions & Preventive Actions) methodology to identify problems by monitoring daily work to arrive at solutions. Considerable progress was made on this front during 2019-20.

Human Resources (HR)

Given the highly specialised nature of the MHRIL's business and the large number of locations where it operates, attracting and nurturing the right talent is at the core of its growth strategy. The HR function at Mahindra Holidays is organised into three key areas: customer acquisition, resort operations and corporate functions.

Mahindra Holidays has always focused on building capabilities and skills through targeted learning and development (L&D) interventions. In 2019-20, all the capability building initiatives were focused on three clear objectives:

- **Strengthening the basics** for the front-line employees. This included (i) 'Sales Bootcamp' — structured one-day intervention for sales executives; (ii) 'Collections Bootcamp' — structured one-day intervention for employees working in receivable management; and (iii) 'Art of Body Language' — customised video module for all resort staff.
- **Enabling line managers** with skills to conduct classroom and on-the-job skill building interventions for their teams. This included (i) 'Club Mahindra Drona' — a two-days structured programme launched for managers working in resort operations; and (ii) 'Manager's Development Program' — a one-day classroom intervention for managers working in customer acquisition and member experience management.
- **Promoting growth from within** through structured development programs. This include five fast track growth programmes to identify and develop high potential employees for supervisory positions after a rigorous 11-months training including classroom sessions, on-the-job assignments and live projects. Three new programmes under the banner of 'I-Grow' were also launched in 2019-20 in the areas of Happy Hub, Finance and Engineering.

In line with the organisational objective of offering a standardised "Club Mahindra Experience" across different locations and touch points, a lot of impetus was given to create video-based training content on SOPs, behaviours and soft skills. Equal emphasis was given on developing talent from within to meet future requirements. **Overall, the organisation recorded an average of 11 man days of L&D effort per employee in 2019-20.**

As a customer centric organisation, maintaining high employee engagement levels has been a top priority. During the year, Mahindra Holidays recorded its highest ever levels in both MCARES and employee-as-promoter scores (EPS) – internal benchmarking exercises within the Mahindra Group. **Mahindra Holidays featured amongst the Top 100 'Best Companies to work for in India' by Great Place to Work Institute.**

As on March 31, 2020, there were 5,518 people on the rolls of the Company. Industrial and employee relations remained cordial throughout the year.

Technology and Digitisation

Mahindra Holidays believes that technology plays an active role in providing a competitive edge and contributes directly to performance. This assumes even greater significance in the context of the COVID-19 crisis, where remote and contactless delivery of services will be more important than ever before for efficient day-to-day operations.

The Company has invested significant resources in its Information Technology (IT) architecture and is benefiting from it across all key spheres of its operations — customer acquisition, resort operations, member experience and internal controls.

Maintaining and upgrading digital assets that enable effective member servicing is an important priority. During the year, the Company enabled new products and services under its experience ecosystem on the web and mobile platforms. The Company also upgraded the user interface of the Mobile App which is more intuitive and efficient. Several new services such as credit card standing instructions, automated refunds, real time payment of ASF and more notably, end-to-end automation of the member upgrade process, were also enabled on its web and mobile platforms.

Another thrust area in 2019-20 was using digitisation and analytics to drive better efficiencies. One of the more significant developments in this context was implementation of AI-based 'resort inventory yield optimization' model to accurately predict cancellations and allow revised booking thresholds for better management of inventory and maximise occupancy. This was piloted at a few large resorts in 2019-20 and will be rolled out to other resorts in 2020-21.

The Company continues to invest in its IT and applications infrastructure. During the year, the Company migrated the core business solutions to its own cloud infrastructure for better efficiency and control. In the area of customer acquisition, the Company upgraded its telemarketing and lead management systems. In another development, property management systems at remote locations are now fully integrated to synchronise automatically with the core systems of the Company.

Corporate Social Responsibility (CSR)

Mahindra Holidays has been at the forefront of taking affirmative action and seeks to contribute to the socio-economic well-being of the communities that it interacts with in carrying out its business. The Company implements CSR projects directly as well as through implementing partners. As defined in the

Company's CSR Policy, it continues to focus its CSR efforts towards girl child education, skill development, healthcare & sanitation, environmental sustainability, protection of national heritage, art & culture, disaster relief and rural development.

Apart from working with not-for-profit organisations and contributing resources for CSR projects, the Company also encourages community service by its employees by involving them through its 'Employee Social Options Program'. **During the year, 2,067 employees volunteered 14,225 person hours on CSR initiatives.**

Some of the key CSR initiatives undertaken by the Company in 2019-20 were:

- **Education & Skill Development:** The Company sponsored the education of 5,000+ girls through the 'Nanhi Kali' project of KC Mahindra Education Trust, which provides academic and material support to underprivileged girls. Through project 'Gyandeep', a mobile bus delivers comprehensive education programmes for children living on construction sites. This currently reaches an average of 50 children every month.
- **Environment:** 40,774 trees were planted across 30 plus resort locations during the year as a part of 'Mahindra Hariyali' — an initiative of Mahindra Group for tree plantation — taking the total trees planted to 384,966 since the beginning of the project in 2010-11. Under its 'Jal Jivan' campaign — a major initiative for water conservation and provisioning of safe drinking water launched in 2019-20 — the Company carried out multiple projects for rejuvenation of water bodies, rainwater harvesting, water access and chlorination and installation of RO water purifiers.
- **Healthcare and Sanitation:** Initiatives included providing mobile medical units for the underprivileged communities at Tungi, Hatgad and Mahabaleshwar and nutrition support to HIV affected people at Varca. To promote health and well-being through strengthening access to quality sanitation facilities, the Company provided household sanitation units to 30 families in Raigad district of Maharashtra. The Company also launched an anti-littering campaign and provided household and community dustbins in Tungi benefiting 160 families.

Box 7: COVID-19 Related Community Relief Efforts in 2019-20

In response to the unprecedented health crisis due to COVID-19, Mahindra Holidays has been supporting communities around its resorts. This includes distribution of hygienic meals / provisions and essential hygiene kits [provisioning of sanitizers and protective equipment such as masks, personal protective equipment (PPE) kits and face shields] to the COVID warriors, daily wagers and other groups around the Company's resorts.

Sustainability

Sustainability is at the core of its business at Mahindra Holidays. The Company is committed to conserve the ecological integrity of its operating locations through responsible business practices and activities such as measurement of carbon footprint, conservation of biodiversity, energy conservation, use of renewable sources, water conservation and waste recycling. These green initiatives undertaken by the Company are aligned to its larger mission of 'Good Living, Happy Families'.

Box 8: MHRIL's Sustainability Commitments

Mahindra Holidays has committed to become Carbon Neutral. It is India's first hospitality company that has signed both RE100 (Renewable Energy) and EP100 (Energy Productivity), a global campaign led by The Climate Group, to achieve this. In doing so Mahindra Holidays has reinforced its commitment to achieve renewable energy and energy productivity targets i.e. run on 100% renewable energy by 2050 and to double the energy productivity by 2030. The Company has also committed itself to the Science Based Target Initiative, which requires it to reduce greenhouse gas (GHG) emissions in line with targets necessary to limit global temperature rise to below two degrees Celsius.

In 2019-20, Mahindra Holidays undertook various initiatives in the areas of solar installations, energy saving, water conservation and waste recycling:

- **Solar Installations and Energy saving:** Focus continued to be on installation of solar power and hot water generators. **Solar Power is streaming in at 7 of its resorts and 5 more resorts will be added by the end of 2020-21.** Outdoor solar lights were installed in landscaped areas. Other energy saving initiatives have been systematically implemented at resorts as a part of its 26 point programme. These included replacing diesel boilers with heat pump for hot water generation in 10 resorts resulting in 67% less diesel consumption as compared to last year, installation of inverter ACs and energy saving BLDC fans.
- **Water Conservation:** Important initiatives include recycling of water from sewage treatment plants, rainwater harvesting, installation of water saving taps/ fixtures in rooms as well as public areas. **Six of its resorts are 'water positive' at the end of 2019-20. Utilisation of rainwater increased considerably in 2019-20 and will be implemented in another 19 resorts by 2024.** Water consumption reduced by 17% compared to last year and 50% of total water consumed by the resorts was recycled in 2019-20.
- **Waste recycling:** The Company embarked on the 'Zero Waste to Landfill' (ZWL) programme last year with its Virajpet resort, which became India's first ZWL resort.

Three more resorts are expected to be certified as ZWL resorts in 2020-21. The Company is also focused on the installation of organic waste converters, vermicompost systems and biogas which are currently operational at many of its resorts.

Box 9: Sustainability — Awards and Recognitions

- The Bombay Chamber Civic Award for 'Conservation of Natural Resources & Waste Management' under the Sustainable Environmental Initiatives Category.
- Certificate of Merit – Challengers Category by Frost & Sullivan and TERI (The Energy and Resources Institute) at the 10th edition of 'Sustainability 4.0 Awards' for demonstrating effective deployment of Sustainable Development practices within the organisation.

The Company actively participates in the Mahindra Group's initiative 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 2019-20, 22 resorts participated in sustainability reporting of the Group.**

Financials

Box 10: Note on Change in Accounting Policies

From April 1, 2019, **Mahindra Holidays adopted Indian Accounting Standard (Ind AS) 116 - Leases,** which requires the lessee to recognise lease Right of Use (ROU) assets and corresponding lease liabilities in its Balance Sheet for the entire period of the lease. The Company has applied the modified retrospective approach to its existing leases and recognised the cumulative impact of the transition in its books on April 1, 2019. Further, for charging costs to the Profit & Loss Account, actual lease rentals are substituted with amortization of the Right of Use asset as well as a notional finance cost on the lease liability. Although the nature of expenses under leases has changed, this does not impact the Company's business or cash flows.

Mahindra Holidays exercised the option of lower Corporate Tax Rate which brings down the effective tax rate to 25.168% with effect from financial year 2019-20. Accordingly, it has remeasured accumulated deferred tax asset and current tax, which has resulted in a one-time transition impact of ₹199.7 crore in the Profit & Loss Account for the financial year 2019-20.

Table 1 presents the abridged financial statements of the Company as a standalone entity. To facilitate more accurate comparison with the previous year, the results for 2019-20 have also been presented according to the old standard i.e. without application of Ind AS 116.

Table 1: Financial Information (Standalone)

(₹ in crore)

	Ind AS 116	Without Ind AS 116	
	2019-20	**2019-20**	**2018-19**
Income from Operations	977.0	977.0	918.2
Non-operating Income	60.1	59.7	45.2
Total Income	**1,037.1**	**1,036.7**	**963.4**
Operating & Other Expenses	795.5	859.5	811.8
Finance cost	16.0	-	-
Depreciation	101.7	50.5	51.4
Total Expenditure	**913.2**	**910.0**	**863.2**
Profit Before Tax (PBT)	123.9	126.7	100.2
Tax Expenses – Ordinary	32.4	33.1	36.3
Profit After Tax (PAT)	**91.5**	**93.6**	**63.9**
Tax - One Time Impact	199.7	197.6	-
Profit After Tax (PAT) post One Time Impact	**(108.2)**	**(104.0)**	**63.9**
Other Comprehensive Income (Net of Tax)	(0.6)	(0.6)	739.2
Total Comprehensive Income	**(108.8)**	**(104.6)**	**803.1**
Diluted EPS before One Time Impact (₹)	6.9	7.0	4.8
Diluted EPS (₹)	(8.1)	(7.8)	4.8
Cash & Cash Equivalents	780.7	780.7	571.9
Long-term Debt	0	0	0
Deferred Revenues	5,518.7	5,518.7	5,239.3

Standalone Financial Results

- Total Income, which includes both operating and other income, stood at ₹ 1,037.1 crore in 2019-20 under Ind AS 116.
- Income from Operations, which stood at ₹ 977.0 crore in 2019-20 was unaffected by the adoption of Ind AS 116.
  - Income from sale of vacation ownership products, which is the largest component of the Company's operating income, grew by 9.9% from ₹ 315 crore in 2018-19 to ₹ 347 crore in 2019-20;
  - Annual Subscription Fees (ASF) grew by 11.4% from ₹ 261 crore in 2018-19 to ₹ 291 crore in 2019-20; and
  - Resort Income – which includes revenues from F&B, resort activities and rooms – grew by 3.9% from ₹ 220 crore in 2018-19 to ₹ 228 crore in 2019-20.

- Total Expenditure was ₹ 913.2 crore in 2019-20 under Ind AS 116 compared to ₹ 863.2 crore in 2018-19, representing a growth of 5.8% during the year. Accordingly, Profit before taxes (PBT) grew at 23.7% from ₹ 100.2 crore in 2018-19 to ₹ 123.9 crore in 2019-20.
- Adoption of Ind AS 116 involved substitution of lease rentals amounting to ₹ 64.3 crore with (a) amortisation of Right of Use Asset of ₹ 51.2 crore and (b) notional finance cost of ₹ 16.0 crore on the lease liability. This resulted in a reduction of ₹ 2.7 crore in PBT. Ignoring this impact, PBT grew at 26.4% from ₹ 100.2 crore in 2018-19 to ₹ 126.7 crore in 2019-20 in comparable terms.
- As mentioned earlier, the Company exercised the option of lower tax rate during the year which required remeasurement of accumulated tax assets, resulting in a one-time impact amounting to a reduction of ₹ 199.7 crore in Deferred Taxes (Net). Not taking this one-time impact into account, Profit After Taxes grew at 43% from ₹ 63.9 crore in 2018-19 to ₹ 91.5 crore in 2019-20 under Ind AS 116. Accordingly, diluted EPS (before One Time Impact) stood at ₹ 6.9 in 2019-20 as compared to ₹ 4.8 in 2018-19. PAT (post One Time Impact) stood at (₹ 108.8) crore and diluted EPS was (₹ 8.1).
- Cash balances improved significantly from ₹ 572 crore at the end of 2018-19 to ₹ 781 crore at the end of 2019-20 — primarily due to better management of receivables and focus on getting quality members with higher down payment and lower tenure EMIs. As a result, the liquidity situation of the Company remained comfortable.
- The Company has no long-term debt as a standalone entity as on March 31, 2020. Finance Cost of ₹ 16 crore is on account of notional interest on lease liabilities under Ind AS 116.
- Deferred Revenues increased from ₹ 5,239.3 crore in 2018-19 to ₹ 5,518.7 crore in 2019-20 — providing considerable visibility on future revenues and improved profitability due to lack of incremental costs.

Table 2: Key Financial Ratios (Standalone)

Ratios	Ind AS 116	Without Ind AS 116	
	2019-20	2019-20	2018-19
Debtors Turnover	0.59	0.59	0.55
Inventory Turnover	6.82	6.82	5.51
Current ratio	2.38	2.54	2.41
Operating profit margin (%)	25%	18%	17%
PBT margin (%)	13%	13%	11%
PAT margin before One Time Tax Impact# (%)	9%	10%	7%
Return on Net worth* (%)	11%	14%	8%

Profit after tax has been derived after excluding Onetime impact on Tax Expense (Current and Deferred) due to change in Tax rate.

* The net worth has been derived after excluding revaluation reserve of ₹ 737.6 crore and Transition Difference of ₹ 1,402.7 crore.

Table 2 presents key financial ratios for Mahindra Holidays as a standalone entity. As the Company does not have any debt on its standalone Balance Sheet, Debt Equity and Interest Coverage ratios are not applicable and have not been calculated. Further, as mentioned earlier, financials for 2019-20 using Ind AS 116 are not directly comparable with financials of 2018-19. **Using comparable financials (without adoption of Ind AS 116) for both the years, changes in financial ratios compared to previous year are not significant, i.e. are less than 25% as defined under the revised SEBI Listing Regulations.**

Holiday Club Resorts (HCR)

HCR, Finland, is a material unlisted subsidiary of Mahindra Holidays. With the acquisition of balance 3.53% shares in HCR through its step-down subsidiary Covington Sàrl, Luxembourg, during the year, Mahindra Holidays now holds 100% stake in HCR.

Established in 1986, HCR is the largest vacation ownership company in Europe and the largest operator of leisure hotels in Finland. As of March 31, 2020, HCR had 33 resorts of which 25 are in Finland, 2 in Sweden and 6 in Spain. 83% of its business comes from Finland and 17% from Sweden and Spain. The timeshare related business contributes about 54% of its revenues, while the hotel business accounts for the remaining 46%. Its current timeshare membership is about 62,000 families and 1,300 companies. Besides, HCR's Spa Hotels service over 1 million guest visits annually.

Table 3: Summary Financials — HCR

	2019-20	2018-19
Total Income	157.33	161.09
EBITDA	6.73	7.79
Profit Before Tax (PBT)	0.26	0.81
Profit After Tax (PAT)	0.14	0.50

Note: As per Finnish Accounting Standard (FAS) Accounts; Figures in € million

During the year, HCR's performance was adversely impacted due to the COVID-19 crisis as March is the peak holiday season in Finland. This affected both timeshare and spa hotel businesses. Table 3 provides summary of financial performance of HCR.

- During the year under review, total income of HCR, which includes turnover and other operating income, stood at € 157.33 million, compared to € 161.09 million in 2018-19.
- Earnings before interest, tax, depreciation and amortization (EBITDA) for the year were € 6.73 million, down from € 7.79 million in 2018-19. Overall, HCR recorded a PBT and PAT of € 0.26 million and € 0.14 million respectively in 2019-20.
- HCR was significantly impacted due to COVID-19 in March which is peak holiday season in Finland. Prior to impact of

COVID-19, HCR had delivered an improved performance till December 2019. Total income of HCR, which includes turnover and other operating income, stood at € 118.46 million, compared to € 114.41 million in 2018-19. Earnings before interest, tax, depreciation and amortization (EBITDA) for the 9 months ended December 2019 were € 4.35 million, up from € 0.86 million in 2018-19.

- HCR has significantly reduced its debt exposure over the years. As on March 31, 2020, total debt on its books stood at € 19.59 million as compared to € 51.7 million in September 2014, when Mahindra Holidays first invested in HCR.

Consolidated Financial Results

For the purpose of consolidation of financial results of the Company, 34 subsidiaries, one joint venture (JV) and one associate as on March 31, 2020 were considered. Table 4 presents the abridged financial statements of the Company as a consolidated entity. To facilitate comparison with the previous year, results for 2019-20 have also been presented according to the old standard i.e. without application of Ind AS 116.

Table 4: Financial Information (Consolidated)

(₹ in crore)

	Ind AS 116	Without Ind AS 116	
	2019-20	2019-20	2018-19
Income from Operations	2,371.9	2,371.9	2,239.0
Non-operating Income	59.3	58.8	56.7
Total Income	**2,431.2**	**2,430.7**	**2,295.7**
Operating & Other Expenses	2,003.2	2,194.6	2,072.8
Finance Cost	79.5	16.3	23.6
Depreciation	247.1	98.2	101.3
Total Expenditure	**2,329.8**	**2,309.1**	**2,197.7**
Profit Before Tax (PBT)	101.4	121.6	98.0
Tax Expenses	35.9	37.8	38.4
Profit after Tax (PAT)	**65.5**	**83.8**	**59.6**
Tax - One Time Impact	199.7	197.2	-
Profit After Tax (PAT) post One Time Impact	**(134.2)**	**(113.4)**	**59.6**
Other Comprehensive Income (Net of Tax)	3.0	8.4	780.2
Total Comprehensive Income	**(131.2)**	**(105.1)**	**839.8**
Diluted EPS before One Time Impact (₹)	5.1	6.3	4.5
Diluted EPS (₹)	(9.9)	(8.6)	4.5
Cash & Cash Equivalents	85.8	85.8	60.1
Total Debt	861.6	861.6	830.4

- Total Income grew by 5.9% from ₹ 2,295.7 crore in 2018-19 to ₹ 2,431.2 crore in 2019-20.
- Using comparable estimates without adoption of Ind AS 116, Total Expenditure grew by 5.1% from ₹ 2,197.7 crore in 2018-19 to ₹ 2,309.1 crore in 2019-20.
- Adoption of Ind AS 116 involved substitution of lease rentals with (a) amortisation of Right of Use Asset and (b) notional finance cost on the lease liability. This has adversely impacted the PBT by ₹ 20.2 crore.
- PBT after including share in profit/loss of JV and associate during the year was ₹ 101.4 crore, whereas PAT after deducting non-controlling interest was ₹ 65.5 crore. After accounting for one-time impact due to adoption of lower tax rate, PAT stood at (₹ 134.2) crore.
- Diluted EPS was ₹ 6.3 in 2019-20, compared to ₹ 4.54 in 2018-19. After accounting for one-time impact due to adoption of lower tax rate, PAT stood at (₹ 113.4) crore in 2019-20 and the corresponding diluted EPS was (₹ 8.6).
- On consolidated basis, total debt was at ₹ 861.6 crore as on March 31, 2020, as compared to ₹ 830.4 crore at the end of the previous financial 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 conducts periodic internal audits in line with an audit plan that is drawn at the beginning of the year and is approved by the Audit Committee. 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. The Company's ERP system has appropriate controls embedded in its processes and systems to reduce the need and reliance for compensating manual controls. These have also been strengthened from time to time.

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

Threats, Risks and Concerns

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

Box 11: COVID-19 — Risks, their Mitigation and Opportunities

The COVID-19 pandemic is causing tremendous disruption, exposing economies and businesses to levels of uncertainty that make it difficult to assess the eventual impact or to chalk-out the timeline for normalcy. However, what is clear is that businesses today face enormous risks, affecting immediate day-to-day operations as well as longer term planning and strategy.

Mahindra Holidays has taken a holistic approach to mitigate these risks. The Company is using best-in-class technology to interact within the organisation, ensure business continuity under lockdown as well as align business processes to remotely service and acquire customers through digital interventions. Measures that ensure readiness to resume operations at resorts when restrictions are lifted have already been discussed in Box 6. The Company is also gearing itself to possible changes in travel preferences: greater demand for domestic holidays, especially those with shorter, drivable distances; need to minimise physical contact; best in class safety and hygiene protocols; preference for outdoor activities with physical distancing — that will feature more prominently in member expectations in a post-COVID world.

Macroeconomic Risks

India's GDP growth decelerated significantly during 2019-20. The outlook for 2020-21 is even more subdued due to the COVID-19 crisis. These can impact the Company's ability to generate sales and resort income and affect its growth prospects in the near term.

Mahindra Holidays recognises these risks and has reasonable measures in place to mitigate their impact. Some of the COVID-19 related mitigation measures have already been covered in Box 11. The Company believes that its focus on customer acquisition through referrals, brand alliances and targeted digital marketing will help it to partly mitigate risks from the economic downturn. Other initiatives include diversification of product portfolio with new products such as 'Bliss' and 'GoZest'. The management is proactively taking steps to rationalise fixed costs, wherever possible. It is reasonable to expect that the occupancies at resorts will begin to improve through its loyal member base, once the travel restrictions are eased off.

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 of locations and seasons, there could be occasions where the first choice of holiday requested by the customers may not be available, which may result in dissatisfaction. Another operational risk is in the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry with unique characteristics. Further, some of the Company's resorts are located in remote areas and natural calamities such as earthquake, flood, landslide etc. may affect the accessibility of the resort to members.

The Company has invested significant resources in systems and processes to mitigate these risks. Customer satisfaction continues to be favourable and on an upward trend. Regarding room inventory, the Company will continue to be judicious in the use of different options — greenfield projects, acquisitions, expanding inventory at existing locations, leases and inventory arrangements — to meet the expectations of its customers and at the same time maintain a balance between demand and supply. Regarding talent management and retention, the management believes that its HR practices enhance employee engagement and satisfaction to effectively mitigate this risk.

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, it offers its customers schemes to finance the purchase of the vacation ownership and similar products, which exposes it to credit risks. The Company is, therefore, exposed to potential risk of non-payment or delayed payment of membership instalments and/or the annual subscription fee by members resulting in higher outstanding receivables.

Currently, Mahindra Holidays has no long-term debt on a standalone basis, and has a strong and stable capital structure to raise money for further expansion, if needed. The Company undertakes comprehensive assessment of the profile of its customers and carefully monitors its exposure to credit risk. Further, several improvements have been implemented in receivables management and collections to reduce credit risks. While there is no currency risk at the standalone entity basis, in respect of the debts in the books of foreign subsidiary companies the underlying assets are also in the same currency. Hence the Company does not foresee any significant forex risks.

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, approvals and activities related to development of new resorts. There are also other regulatory and legal risks pertaining to tax proceedings, legal proceedings on properties, customer complaints, non-compliance of regulations including environmental regulations and those pertaining to the hospitality sector. Further, as the Company has investments and operations in different countries, it is also exposed to political and regulatory risks that emanate from its international presence.

Mahindra Holidays has adequate systems and controls in place to reasonably mitigate these risks and minimise instances of non-compliance. The Company also believes that its proactive stance on sustainability will hold it in good stead for future development and growth.

Outlook

India witnessed a significant slowdown in economic activity during the year. The growth outlook for 2020-21 remains even more subdued due to the COVID-19 crisis. Although a sharp turnaround is expected when the restrictions on economic activity are lifted, there is considerable uncertainty around the timeline for normalcy and the extent of impact.

The travel and tourism sector worldwide will be affected, and India will not be an exception. However, it is reasonable to expect that the occupancies at resorts will begin to improve through its loyal member base, once the travel restrictions are eased off. New member additions will be dependent on consumer sentiment which should gradually improve post the lockdown restrictions getting lifted and resumption of general economic activity in post COVID phase.

Mahindra Holidays' solid experience ecosystem, with 100+ resort options and unique membership privileges gives it a distinct competitive edge — be it in terms of suitable holiday options or resort amenities in a post-COVID world or the ability to drive business, once the sentiment improves. The Company has taken adequate steps in terms of deployment of digital and tech-enabled solutions which holds it in good stead in delivering superior value. And, with its committed teams and strong service culture, it has an unmatched ability to reorient itself to benefit from the emerging opportunities presented by change in travel preferences and expectations of customers.

At this time, when customers are looking for trust, 'Club Mahindra' brand — with member satisfaction at an all-time high — will resonate favourably with them. Besides, the Company has a strong balance sheet with resources at its disposal to tide over the crisis and take advantage of strategic opportunities, in line with its long-term business objectives.

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") upholds highest standards of integrity, transparency, professionalism, business ethics and accountability. Company's corporate governance practices are a reflection of its value system encompassing its culture, policies and relationships with its stakeholders.

Mahindra Holidays strongly believes that corporate governance is an integral means for the existence of the Company. The Company ensures adherence to the moral and ethical values, legal and regulatory framework and adoption of good practices beyond the realms of law.

Mahindra Holidays continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management level. Integrity and transparency are key to the Company's corporate governance practices to ensure that it gains and retains the trust of its stakeholders at all times.

A report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India ("SEBI") and incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is given below.

Board of Directors

Board Diversity and Composition of the Board

The Company recognizes the importance of a diverse board in its success and believes that a truly diverse board will leverage differences in perspective, knowledge, skill, industry experience, age, cultural and geographical backgrounds. In line with the same, the Company continues to have a balanced and diverse Board of Directors ("the Board"), which primarily takes care of the business needs and stakeholders' interest. The Board Diversity Policy adopted by the Board in this regard is available on Company's website at: https://www.clubmahindra.com/about-us/policies

The composition of the Board is in conformity with Regulation 17(1) of the SEBI Listing Regulations and also with the provisions of the Companies Act, 2013 ("the Act"). The Chairman of the Board is a Non-Executive Director, and more than half of the Board comprises of Independent Directors including a Woman Director.

The Shareholders of the Company had granted approval for the re-appointment of following Directors at the 23rd Annual General Meeting ("AGM") held on July 31, 2019:

a) Mr. Kavinder Singh was re-appointed as a Managing Director & CEO of the Company for a term of five years commencing from November 3, 2019 to November 2, 2024;

b) Mr. Rohit Khattar and Mr. Sanjeev Aga were re-appointed as Independent Directors of the Company for a second term of five consecutive years each commencing from August 27, 2019 to August 26, 2024;

c) Mr. Sridar Iyengar was re-appointed as an Independent Director of the Company for a second term commencing from August 27, 2019 to July 31, 2022; and

d) Mr. Cyrus Guzder was re-appointed as an Independent Director of the Company for a second term commencing from August 27, 2019 to July 31, 2020.

During the period under review, Ms. Radhika Shastry ceased to be an Independent Director of the Company with effect from December 26, 2019, upon completion of her tenure.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on February 1, 2020 have appointed Mrs. Sangeeta Talwar as an Additional Director in the category of Independent Director of the Company, not liable to retire by rotation, for a period of five years effective from February 1, 2020. She shall hold office as an Additional Director upto the date of the ensuing AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 9, 2020 have appointed Dr. Anish Shah as an Additional Director in the category of Non-Executive Non-Independent Director of the Company, liable to retire by rotation. He shall hold office as an Additional Director upto the date of the ensuing AGM.

As on the date of this report, the Board comprised of 9 (nine) Directors. Mr. Arun Nanda is the Non-Executive Chairman of the Company. Mr. Kavinder Singh is the Managing Director & Chief Executive Officer ("CEO") of the Company. Mr. V S Parthasarathy and Dr. Anish Shah are the Non-Executive Non-Independent Directors of the Company.

Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sridar Iyengar, Mr. Sanjeev Aga and Mrs. Sangeeta Talwar are the Independent Directors on the Board of the Company.

The Independent Directors are from diverse fields and bring to the Company a wide range of experience, knowledge and judgement as they draw on their varied proficiencies in general corporate management, finance, hospitality, telecom, financial services, vacation ownership, corporate strategy, sales and marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as the Directors, while participating in its decision making process. The terms and conditions of appointment of the Independent Directors are available on the Company's website.

Mr. V S Parthasarathy, Non-Executive Director of the Company, is the President of the Mobility Services Sector of Mahindra Group and a member of the Mahindra Group's supervisory board called 'Group Executive Board'.

Dr. Anish Shah, Non-Executive Director of the Company, is currently the Deputy Managing Director and Group CFO of the Mahindra Group, with responsibility of the Group Corporate Office and full oversight of all businesses other than the Auto and Farm sectors. He has been appointed as the Managing Director and CEO designate for the Mahindra Group, effective from April 2, 2021. He is also a member of the Mahindra Group's supervisory board called 'Group Executive Board'

Apart from the above, and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Non-Executive Directors and the Managing Director & CEO would be entitled to under the Act, none of the Directors have any other pecuniary relationship with the Company, its Holding Company, subsidiaries or associate companies or their Promoters, Directors, which in their judgement would affect their independence. The Senior Management personnel of the Company 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 any potential conflict of interest with the Company at large.

In the opinion of the Board and based on the disclosures received, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

Board & General Meetings and Attendance

The Board met 5 (five) times during the Financial Year 2019-20, on: May 15, 2019, July 31, 2019, November 4, 2019, February 1, 2020, and March 19, 2020. The gap between two Meetings did not exceed 120 (one hundred and twenty) days. The Twenty Third AGM of the Company was held on July 31, 2019. The Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee and the Chairman of the Stakeholders Relationship Committee were present at the AGM.

The composition of the Board along with the details of the Board meetings and last AGM held and attended during the period April 1, 2019 to March 31, 2020 is as under:

Name of the Director	DIN	Category	Number of Board Meetings		Attendance at the last AGM (July 31, 2019)
			Held	Attended	
Mr. Arun Nanda	00010029	Non-Executive Chairman	5	5	Y
Mr. Cyrus Guzder	00080358	Independent Director	5	4^	Y
Mr. Rohit Khattar	00244040	Independent Director	5	5	Y
Mr. Sridar Iyengar	00278512	Independent Director	5	5	Y
Mr. Sanjeev Aga	00022065	Independent Director	5	5	Y
Mr. V S Parthasarathy	00125299	Non-Executive Non Independent Director	5	4	N
Dr. Anish Shah$	02719429	Non-Executive Non Independent Director	NA	NA	NA
Ms. Radhika Shastry*	01787918	Independent Director	3	3	Y
Mrs. Sangeeta Talwar#	00062478	Independent Director	1	1	NA
Mr. Kavinder Singh	06994031	Managing Director & CEO	5	5	Y

$ Appointed as an Additional Director of the Company w.e.f. May 9, 2020.

* Ceased to be Director of the Company w.e.f December 26, 2019.

Appointed as a Director of the Company w.e.f February 1, 2020.

^ In addition to 4 meetings attended, one meeting was attended by him through call.

Details of other directorship(s) and committee membership(s) held:

The number of Directorships and Committee positions held by the Directors in companies at the end of the year under review, are given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are Directors. Further, none of the Directors on the Board is an Independent

Director in more than seven listed companies. In addition, the Whole Time Director of the Company or a Director who is a whole-time director in other listed company, are not Independent Directors in more than three listed companies. None of the Directors of the Company are inter se related to each other.

The number of Board or Board Committees of which a Director is a member or Chairperson is as under:

Name of the Director	As on March 31, 2020*			
	Indian Listed Companies#	Total Directorship(s)#	Committee Membership(s)^	Committee Chairmanship(s)^
Mr. Arun Nanda	2	6	2	2
Mr. Cyrus Guzder	2	2	4	2
Mr. Rohit Khattar	1	3	1	Nil
Mr. Sridar Iyengar	2	3	3	3
Mr. Sanjeev Aga	5	5	5	2
Mr. V S Parthasarathy	4	9	6	1
Mrs. Sangeeta Talwar	5	8	8	2
Mr. Kavinder Singh	1	2	1	Nil

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act (erstwhile Section 25 of the Companies Act, 1956).

Excludes Alternate Directorships but includes Additional Directorships and Directorship in Mahindra Holidays.

^ Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Mahindra Holidays.

The details of directorship of listed entities held by the Directors as on March 31, 2020 are as under:

Name of the Director	Name of the Listed Companies	Category
Mr. Arun Nanda	Mahindra Lifespace Developers Limited	Chairman & Non-Executive Director
Mr. Cyrus Guzder	The Great Eastern Shipping Limited	Independent Director
Mr. Rohit Khattar	-	-
Mr. Sridar Iyengar	Dr. Reddy's Laboratories Limited	Independent Director
Mr. Sanjeev Aga	1) Larsen & Toubro Limited 2) Larsen & Toubro Infotech Limited 3) UFO Moviez India Limited 4) Pidilite Industries Limited	Independent Director Independent Director Chairman & Independent Director Independent Director
Mr. V S Parthasarathy	1) Mahindra and Mahindra Financial Services Limited 2) Tech Mahindra Limited 3) Mahindra Logistics Limited	Non-Executive Director Non-Executive Director Chairman & Non-Executive Director
Mrs. Sangeeta Talwar	1) Castrol India Limited 2) TCNS Clothing Co. Limited 3) HCL Infosystems Limited 4) Glaxosmithkline Consumer Healthcare Limited	Independent Director Independent Director Independent Director Independent Director
Mr. Kavinder Singh	-	-

Shares and Convertible Instruments, if any, held by the 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 and stock options granted to Directors are given below:

Name of the Director	Shares held as on March 31, 2020	No. of Options*	Date of Grant	Exercise Price (₹)	Vesting Period (Note No. 1)
Mr. Arun Nanda	12,66,945	1,50,000	18.02.2016	246.67	Four equal installments in February 2017, 2018, 2019 and 2020
Mr. Cyrus Guzder	40,050	-	-	-	-
Mr. Rohit Khattar	40,050	-	-	-	-
Mr. Sridar Iyengar	10,313	20,624	21.02.2012	-	Four equal installments in January 2013, 2014, 2015 and 2016
Mr. Sanjeev Aga	-	-	-	-	-
Mr. V S Parthasarathy	-	-	-	-	-
Mrs. Sangeeta Talwar	-	-	-	-	-
Mr. Kavinder Singh	-	6,00,000	22.01.2015	176.00	Four equal installments in January 2016, 2017, 2018 and 2019
	-	3,00,000	04.11.2019	215.00	Four equal installments in November 2020, 2021, 2022 and 2023
	-	1,00,000	01.02.2020	238.00	Four equal installments in February 2021, 2022, 2023 and 2024

* The Options granted and outstanding as on March 31, 2020

Notes:

1) Exercise Period: On the date of vesting or within five years from the date of vesting or such extended period as may be determined by the Nomination and Remuneration Committee.

2) In addition, 1,53,075 Equity Shares are held by relatives of Mr. Arun Nanda.

Skills/Expertise/Competencies of the Board of Directors

The Board comprises of qualified members who bring in the required skills, competence and expertise that enable them to make effective contributions to the Company's working. The Board members have expertise and extensive experience in finance, hospitality, vacation ownership, telecom, financial services, corporate strategy, law, sales & marketing, corporate governance, forex management, administration, decision making and general corporate management. They uphold ethical standards of integrity and probity and exercise their responsibility in the best interest of the Company and all stakeholders.

The Board comprises of members of varied age groups who demonstrate competence and experience required for the Company. Their diversity of experiences has a positive impact on deliberations on various matters placed before the Board setting right direction for future strategy and plans. Sufficient time is devoted by them for informed and balanced decision-making.

The Managing Director & CEO of the Company has long term experience in FMCG sector, starting up and building businesses and leading transformational corporate strategy initiatives. All Directors are familiar with the Company's business, policies, culture (including the Mission, Vision and Values) and industry in which the Company operates.

In the opinion of the Board, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which the individual Directors on the Board of the Company possess:

Core skills / expertise /competencies	Names of Directors								
	Arun Nanda	Cyrus Guzder	Sridar Iyengar	Sanjeev Aga	Rohit Khattar	Sangeeta Talwar	V S Partha-sarathy	Anish Shah	Kavinder Singh
A. Industry knowledge / experience									
1) Experience of the vacation ownership business, hospitality and the Market dynamics	✓	✓	✓	✓	✓	-	-	-	✓
2) Awareness of the applicable laws	✓	✓	✓	✓	✓	✓	✓	-	✓
3) International experience in managing businesses	✓	✓	✓	-	✓	✓	✓	✓	✓
4) Experience in managing risks associated with the business	✓	✓	✓	✓	✓	✓	✓	✓	✓

Core skills / expertise /competencies	Names of Directors								
	Arun Nanda	Cyrus Guzder	Sridar Iyengar	Sanjeev Aga	Rohit Khattar	Sangeeta Talwar	V S Partha-sarathy	Anish Shah	Kavinder Singh
B. Governance Skills:									
1) Practical experience in best practices pertaining to transparency, accountability and corporate governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
C. Technical skills/ expertise:									
1) Specialized knowledge in an area or subject such as accounts, finance, auditing, sales & marketing, legal, strategy, etc	✓	✓	✓	✓	✓	✓	✓	✓	✓
2) Knowledge of the relevant Technology and Innovations	✓	✓	✓	✓	✓	✓	✓	✓	✓
D. Behavioural Competencies:									
1) Values, mentoring abilities, ability to positively influence people and situations, leadership skills, communication and interpersonal skills, decision making abilities, conflict resolution, adaptability, etc.	✓	✓	✓	✓	✓	✓	✓	✓	✓

Appointment/ Re-appointment of Directors

Mr. V S Parthasarathy, Non-Executive Non-Independent Director, being longest in the office, retires by rotation at the forthcoming AGM and being eligible, has offered himself for re-appointment.

Further, the Board of Directors appointed Mrs. Sangeeta Talwar as an Additional Director in the category of Independent Director of the Company, not liable to retire by rotation, for a period of 5 (five) years from February 1, 2020. She shall hold office as an Additional Director upto the date of the ensuing AGM. The Company has received the requisite Notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company.

The Board of Directors have also appointed Dr. Anish Shah as an Additional Director in the category of Non-Executive and Non-Independent Director of the Company, liable to retire by rotation, effective from May 9, 2020. He shall hold office as an Additional Director upto the date of the ensuing AGM. The Company has received the requisite Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company.

Brief resume of Mr. V S Parthasarathy, Mrs. Sangeeta Talwar and Dr. Anish Shah are given below:

Mr. V S Parthasarathy (DIN 00125299)

Mr. V S Parthasarathy is the President of the Mobility Services Sector of the Mahindra Group with effect from April 1, 2020. He is also the member of the Mahindra Group's supervisory board called the 'Group Executive Board'. He is the Chairman of Mahindra Logistics Limited, Smartshift Logistics Private Limited, and a Director on the Board of several other companies of the Mahindra Group including Tech Mahindra Limited, Mahindra & Mahindra Financial Services Limited, Meru Travel Solutions Private Limited, Mahindra First Choice Services Limited, Mahindra First Choice Wheels Limited and CIE Automotive S.A., Spain, etc. He is also the President of BCCI (Bombay Chamber of Commerce & Industry) and Chairman of FICCI CFO Council.

Mr. V S Parthasarathy holds a Bachelor's Degree in Commerce, is a Fellow Member of the Institute of Chartered Accountants of India and a Member of the Institute of Chartered Accountants of England and Wales. He is Harvard Alumni of Advanced Management Program - batch 2011. He started his career with Modi Xerox as a Management Trainee. He joined Mahindra & Mahindra in 2000 and was appointed in 2013 as the CFO, Mahindra & Mahindra Ltd and was the Group CFO and Group CIO until March 31, 2020. He was awarded the BusinessWorld –Yes Bank Award for Leadership and Industry Role Model, 2018 and Digital Icon of India by HPE, 2018, amongst numerous others.

Mr. V S Parthasarathy is holding Directorship (including membership of the Committees of the Board) of the following companies as on March 31, 2020:

Name of the Company	Name of the Committee	Member/ Chairperson
Mahindra Holidays & Resorts India Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Member
	Corporate Social Responsibility Committee	Member
	Securities Allotment Committee	Member

Name of the Company	Name of the Committee	Member/ Chairperson
Mahindra Electric Mobility Limited	Nomination and Remuneration Committee	Member
	Audit Committee	Chairman
Mahindra and Mahindra Financial Services Limited	Audit Committee	Member
	Risk Management Committee	Member
	Asset Liability (ALCO) Committee	Member
	Committee for Strategic Investments	Member
	Nomination and Remuneration Committee	Member
Tech Mahindra Limited	Investment Committee	Member
	Stakeholder Relationship Committee	Member
	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Securities Allotment Committee	Member
	Risk Management Committee	Member
	Corporate Social Responsibility Committee	Member
Mahindra Logistics Limited	Nomination and Remuneration Committee	Member
New Democratic Electoral Trust	-	-
Mahindra eMarket Limited	-	-
Bombay Chamber of Commerce and Industry	-	-
Fifth Gear Ventures Limited	-	-
Mahindra First Choice Services Limited	-	-
Mahindra First Choice Wheels Limited	-	-
Smartshift Logistics Solutions Private Limited	-	-
CIE Automotive, S.A.	-	-
Mahindra-BT Investment Company (Mauritius) Limited	-	-

Mrs. Sangeeta Talwar (DIN 00062478)

Mrs. Sangeeta Talwar is an MBA from IIM Kolkata, India, Economics Graduate from Lady Shri Ram College, India and has completed the Executive Leadership Program from Wharton School of Business, USA and Advanced Digital Marketing-online course by Manipal & Google.

She is serving on the Board of Castrol India Ltd, Manipal Global Education Services, Sembcorp Energy India Limited, HCL Infosystems Ltd, Mahindra First Choice Wheels Limited, TCNS owners of brands W, Aurelia and Wishful and Swadesh Foundation. She has also served on the Board of Tata Global Beverages, Eight O'Clock Coffee (US), Tata Coffee Ltd, Mother Dairy Fruit & Vegetable, Oriental Hotels (Taj Hotels), IIM Kolkata (her Alma Mater & an Ivy league business management school) for 2 consecutive terms of 5 years each.

She has held CEO & Managing Director positions with prior multifunctional exposure as Functional Head across the disciplines of Marketing, Sales and Human Resources and has worked across European, American and Indian multinationals and large companies, including a stint with Nestle in Switzerland. She spearheaded the implementation of a national level social sector project funded by World Bank.

She was one of the first women in the Consumer Products industry in India, credited with the launch of one of the country's most iconic packaged food brands (Maggi). She held the position of Regional Sales Head responsible for a quarter of India's sales & distribution for Nestle. As Vice President HR for Nestle, she was responsible for corporate, factories, regional sales offices and all aspects of HR. She led a very successful 360 degree leadership initiative across the company and went on to head marketing as Director Marketing for Nestle India responsible for the entire business including P&L accountability. This was followed by a 3 years posting to HQ in Switzerland as Strategic Advisor.

She has also launched the first social marketing campaign in India, entitled "Jaago Re", which won international acclaim and was instrumental in catapulting Tata Tea into becoming the largest Tea brand in India.

She has held the positions of Managing Director of NDDB Dairy Services, Executive Director of Tata Tea & Regional President South Asia of Tata Global Beverages, Managing Director & CEO South Asia of Mattel, Strategic Advisor (Switzerland) working across 3 Strategic Business Units of Nestle SA, Marketing Director, Vice President Human Resources, Regional Sales Head & Business Head of Culinary of Nestle India Ltd.

She has won the following awards:

- Business Today's 30 Most Powerful Women in Indian Business for 3 years (2007, 2009, 2010)
- India Today Woman in the Corporate World
- Women Super Achievers Award for Outstanding Contribution to Social Marketing

She is an author of an experiential book about successful business stories and building iconic brands titled "The 2 Minute Revolution: The Art of Growing Businesses" published by Penguin Randomhouse.

She is a member of Women Corporate Directors (based out of Palm beach Florida), The UNGC Global Compact, All India Management Association and The Directors Collective run by Russell Reynolds.

Mrs. Sangeeta Talwar is holding Directorship (including membership of the Committees of the Board) of the following companies as on March 31, 2020:

Name of the Company	Name of the Committee	Member/ Chairperson
Mahindra Holidays & Resorts India Limited	-	-
HCL Infosystems Limited	Audit Committee	Member
	Stakeholder Relationship Committee	Chairperson
	Nomination & Remuneration Committee	Chairperson
TCNS Clothing Co. Limited	Audit Committee	Member
	Stakeholder Relationship Committee	Chairperson
	Corporate Social Responsibility Committee	Member
Sembcorp Energy India Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Chairperson
	Corporate Social Responsibility Committee	Chairperson
Sembcorp Green Infra Limited	Corporate Social Responsibility Committee	Member
Castrol India Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Chairperson
	Corporate Social Responsibility Committee	Member
Mahindra First Choice Wheels Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
Manipal Global Education Services Private Limited	Audit Committee	Member
	Corporate Social Responsibility Committee	Chairperson
Glaxosmithkline Consumer Healthcare Limited	Audit Committee	Member

Dr. Anish Shah (DIN: 02719429)

Dr. Anish Shah is currently the Deputy Managing Director and Group CFO of the Mahindra Group, with responsibility of the Group Corporate Office and full oversight of all businesses other than the Auto and Farm sectors. The Board has appointed him as the Managing Director and CEO designate of the Mahindra Group, effective from April 2, 2021. His prior role was Group President (Strategy), where he led strategy development, built capabilities such as digitization and data sciences, enabled synergies across Group companies and managed the Risk and performance review organisations.

Dr. Anish Shah holds a Ph.D from Carnegie Mellon's Tepper School of Business where his doctoral thesis was in the field of Corporate Governance. He has also received a Masters degree from Carnegie Mellon and has a post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has received various scholarships, including the William Latimer Mellon Scholarship, Industry Scholarship at IIMA, National Talent Search and Sir Dorabji Tata Trust.

Dr. Anish Shah was the President and CEO of GE Capital India from 2009-14, where he led the transformation of the business, including a turnaround of its SBI Card joint venture. His career at GE spanned 14 years, during which he held several leadership positions at GE Capital's US and global units. As a Director, Global Mortgage, he worked across 33 countries to drive growth and manage risk. As a Senior Vice President (Marketing and Product Development) at GE Mortgage Insurance, he led various growth initiatives and played a key role in preparing the business for an IPO, as a spinoff from GE. In his initial years with GE, Dr. Anish Shah also led Strategy, eCommerce and Sales Force Effectiveness and had the unique experience of running a dot-com business within GE. He has also received GE's prestigious Lewis Latimer Award for outstanding utilisation of Six Sigma in developing a "Digital Cockpit."

Dr. Anish Shah has diverse experience with global businesses beyond GE. He led Bank of America's US Debit Products business, where he launched an innovative rewards program, led numerous initiatives in payment technology and worked closely with various teams across the Bank to enhance value for the customer.

As a strategy consultant at Bain & Company in Boston, Dr. Anish Shah worked across multiple industries, including banking, oil rigs, paper, paint, steam boilers and medical equipment. His first role was with Citibank in Mumbai, where he issued bank guarantees and letters of credit as Assistant Manager, Trade Services.

Dr. Anish Shah is holding Directorship (including membership of the Committees of the Board) of the following companies as on March 31, 2020:

Name of the Company	Name of the Committee	Member/ Chairperson
Mahindra & Mahindra Limited	Risk Management Committee	Member
Mahindra & Mahindra Financial Services Limited	Audit Committee	Member
	Corporate Social Responsibility Committee	Member
	Strategic Investment Committee	Member
Mahindra Lifespace Developers Limited	Audit Committee	Member
	Loans and Investment Committee	Member
	Nomination and Remuneration Committee	Member
Mahindra Truck and Buses Limited	-	-
PF Holdings B.V.	-	-
Mahindra Vehicle Sales and Services Inc.	-	-
Tech Mahindra Limited	Investment Committee	Member
	Risk Management Committee	Member

Board Procedure

The Chairman of the Board and the Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for the Board and Committee meetings. A detailed agenda, setting out the business to be transacted at the meeting supported by detailed notes are sent to each Director at least seven days before the date of the Board and Committee Meetings, except for the Unpublished Price Sensitive Information which are circulated separately or placed at the Meetings of the Board and the Committees. To provide a web-based access, a soft copy of the said agenda is also uploaded on the Board Portal which acts as a document repository. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practicable to attach any documents of the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. To enable the Board to discharge its responsibilities effectively, the Board is appraised at every meeting of the overall performance of the Company. A detailed report on the operations of the Company and quarterly compliance report are also presented at the Board Meetings.

The Board meets at least once in a quarter to review financial results and other items on agenda. Additional meetings are held when necessary. The Board also, inter-alia, periodically reviews the 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, minutes of the Board Meetings of your Company's Subsidiary Companies, significant transactions and arrangements entered into by the unlisted subsidiary Companies, significant labour issues, if any, transactions pertaining to purchase / disposal of property, if any, major accounting provisions and write-offs, corporate restructuring, if any, quarterly details of foreign exchange exposures, Minutes of meetings of the Audit Committee and other Committees of the Board, information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and Company Secretary, CSR spends, plan and its review, borrowings, investments and issue of securities.

The Board reviews the compliance certificate issued by the Managing Director & CEO regarding compliance with the requirements of various Statutes, Regulations and Rules as may be applicable to the business of the Company.

Meetings of Independent Directors

The Company's Independent Directors meet at least once every year without the presence of Executive Director or management personnel. Such meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. Further, the Independent Directors also review the performance of the Non-Independent Directors, Chairman (after taking into account the views of the Executive and Non-Executive Directors) and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. During the year under review, 4 (four) meetings of the Independent Directors were held on May 15, 2019, July 31, 2019, November 4, 2019 and February 1, 2020 and the same were attended by all the Independent Directors, except Mr. Cyrus Guzder who attended 3 (three) meetings.

Familiarisation Programme for Independent Directors

Regulation 25(7) of the SEBI Listing Regulations requires the Company to familiarise its Independent Directors through various programmes about the Company, including the nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of Independent Directors and any other relevant information.

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

The details of familiarisation programme imparted to the Independent Directors is posted on the website of the Company and can be accessed at : https://www.clubmahindra.com/about-us/policies

Board and Director Evaluation and Criteria for Evaluation

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of Committees of the Board.

The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors including Independent Directors. The criteria for Board Evaluation include inter-alia, composition and structure, effectiveness of board processes, information and functioning of the Board etc. The criteria for evaluation of the Committees of the Board include mandate of the Committee and composition and effectiveness of the Committee, etc. The criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, integrity, independence and contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the performance of the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman. The above criteria are based on the Guidance Note on Board Evaluation issued by the SEBI on January 5, 2017.

The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in later part of this Report.

Board Committees

Audit Committee

The Audit Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. As on March 31, 2020, the Committee comprised of 5 (five) Directors: Mr. Sridar Iyengar (Chairman of the Committee), Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga, and Mr. V S Parthasarathy. Ms. Radhika Shastry ceased to be a member of the Audit Committee with effect from December 26, 2019, upon completion of her term as an Independent Director of the Company.

Mr. Sridar Iyengar, Mr. Cyrus Guzder, Mr. Rohit Khattar, and Mr. Sanjeev Aga are Independent Directors. All members of the Committee are financially literate and the Chairman possesses financial management/accounting expertise. The Company Secretary has acted as the Secretary to the Committee.

The terms of reference of the Committee are in accordance with the requirements of Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act.

A. Role of the Audit Committee, inter alia, includes the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

  - o changes, if any, in accounting policies and practices and reasons for the same;
  - o major accounting entries involving estimates based on the exercise of judgment by management;
  - o significant adjustments made in the financial statements arising out of audit findings;
  - o compliance with listing and other legal requirements relating to financial statements;
  - o disclosure of any related party transactions;
  - o modified opinion(s) in the draft audit report
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- formulating the scope, functioning, periodicity and methodology for conducting the internal audit;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

The Committee met 4 (four) times during the year under review and the gap between two Meetings did not exceed 120 (one hundred and twenty) days. During the Financial Year 2019-20, the Committee met on: May 15, 2019, July 31, 2019, November 4, 2019 and February 1, 2020. Attendance of members of the Committee at the meetings held during the Financial Year 2019-20 is as below:

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Mr. Sridar Iyengar	4	4
Mr. Cyrus Guzder	4	3^
Mr. V S Parthasarathy	4	3
Mr. Rohit Khattar	4	4
Mr. Sanjeev Aga	4	4
Ms. Radhika Shastry*	3	3

* Ceased to be a Member w.e.f. December 26, 2019

^ In addition to 3 meetings attended, one meeting was attended by him through call.

Invitees to the Meetings of the Audit Committee include the Chairman of the Board, the Managing Director & CEO, the Chief Financial Officer, the Statutory Auditors and the Internal Auditors. The Board accepted all recommendations made by the Audit Committee.

Nomination and Remuneration Committee (NRC)

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 formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors, 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 NRC consists of Mr. Cyrus Guzder (Chairman of the Committee), Mr. Arun Nanda, Mr. Rohit Khattar and Mr. Sridar Iyengar.

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To review whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- To recommend to the Board, all remuneration, in whatever form, payable to senior management
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee's constitution and terms of reference are in compliance with provisions of the Act, the SEBI Listing Regulations and the SEBI (Share Based Employee Benefits) Regulations, 2014.

The Committee met 4 (four) times during the year under review on: May 15, 2019, July 31, 2019, November 4, 2019 and February 1, 2020. Attendance of members of the Committee at the meetings held during the Financial Year 2019-20 is as below:

Name of the Director	Number of NRC Meetings	
	Held	Attended
Mr. Cyrus Guzder	4	3
Mr. Arun Nanda	4	4
Mr. Rohit Khattar	4	4
Mr. Sridar Iyengar	4	4

The Board accepted all recommendations made by the NRC.

Performance Evaluation of the Board

The Act and the SEBI Listing Regulations stipulates the performance evaluation of the Directors including Chairman, Board and its Committees. Considering the said provisions, the Company has devised a process and the criteria for the performance evaluation which has been recommended by the NRC. The NRC evaluated the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors taking into account the views of the Executive Director and Non-Executive Directors. Evaluation of Independent Directors was carried out by the entire Board excluding the Director being evaluated. The Annual Performance Evaluation was carried out by the Board in respect of its own performance as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees. A structured questionnaire was prepared and circulated amongst the Directors, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regards to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties, preparedness on the issues to be discussed, meaningful and constructive contributions, inputs at the meetings, Corporate Governance practices etc. The Directors expressed their satisfaction with the evaluation process.

Remuneration to Directors

Remuneration Policy

The Company has formulated a policy on remuneration of Directors and Senior Management Employees. While deciding on the remuneration for Directors, the Board and the NRC considers 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 NRC regularly tracks the market trend 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.

Policy on appointment of Directors and Senior Management, Policy on Remuneration of Directors and Policy on Remuneration of Key Managerial Personnel and Employees are available at the link https://www.clubmahindra.com/about-us/policies.

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

Remuneration of Non-Executive Directors

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

The Non-Executive Directors are also entitled to receive commission on an annual basis of such sum as may be approved by the Board. The total commission payable to the Directors shall not exceed 1 (one) per cent of the net profit of the Company, calculated as per provisions of the Act.

The Independent Directors of the Company are not entitled to participate in Stock Option Scheme of the Company.

The remuneration paid to the Whole-time Director was fixed by the NRC which was subsequently approved by the Board of Directors. The Shareholders have approved the remuneration paid/payable to the Managing Director & CEO.

During the year under review, the Non-Executive Directors were paid a commission of ₹ 105 lakhs (as provided in the accounts of the year ended March 31, 2019).

A commission of ₹ 129 lakhs provided as payable to the Non-Executive Directors in the accounts for the year under review and to be distributed amongst themselves is shown in the table below.

Detailed information of Directors' remuneration paid/payable during the year 2019-20 is given below:

(₹ in lakhs)

Name of the Director	Category of Director	Sitting Fees (Note 1)	Commission^	Salary, Performance pay and Perquisites	Superannuation and Provident Fund (Note 2)	Total
Mr. Arun Nanda	Non-Executive Chairman	6.80	50.00	-	-	56.80
Mr. Cyrus Guzder	Independent	6.40	16.50	-	-	22.90
Mr. Rohit Khattar	Independent	7.40	16.00	-	-	23.40
Mr. Sridar Iyengar	Independent	7.70	16.50	-	-	24.20
Mr. Sanjeev Aga	Independent	6.50	16.00	-	-	22.50
Mr. V S Parthasarathy	Non-Executive	-	-	-	-	-
Ms. Radhika Shastry*	Independent	3.90	11.00	-	-	14.90
Mrs. Sangeeta Talwar#	Independent	1.00	3.00	-	-	4.00
Mr. Kavinder Singh	MD & CEO	-	-	438.86	25.81	464.67
TOTAL		**39.70**	**129.00**	**438.86**	**25.81**	**633.37**

^ The Commission for the financial year ended March 31, 2020 will be paid to the Non-Executive Directors, subject to deduction of tax, after adoption of financial statements by the Members at the ensuing AGM.

*Ceased to be a Director w.e.f. December 26, 2019

Appointed as a Director w.e.f. February 1, 2020

Notes:

1. Non-Executive Directors and Independent Directors are paid sitting fees for attending meetings of the Board / Committees of the Board of Directors of the Company. The sitting fee has been fixed at ₹ 1,00,000/- for attending meetings of the Board and for all other Committee Meetings, the same has been fixed at ₹ 30,000/-. In respect of Corporate Social Responsibility Committee, no sitting fee is paid as the sitting fee has been waived by the members of the CSR Committee.

2. Aggregate of the Company's contribution to Superannuation Fund and Provident Fund.

3. Salary to Mr. Kavinder Singh

(₹ in lakhs)

Particulars	Kavinder Singh
Salary and Allowances	316.29
Perquisites	14.09
Performance Pay	134.30

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 is contractual and can be terminated by giving 3 months' notice from either party. Mr. Kavinder Singh's appointment is for a period of 5 years. The contract does not provide for any severance fees. Remuneration paid to Mr. Kavinder Singh was approved by the shareholders at the AGM held on July 31, 2019.

6. Performance pay to the Whole-Time Directors is determined by the NRC and then approved by the Board on the basis of pre-determined performance parameters.

Stakeholders Relationship Committee (SRC)

The Company's Stakeholders Relationship Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. V S Parthasarathy, Mr. Cyrus Guzder and Mr. Kavinder Singh.

Mr. Dhanraj Mulki, General Counsel & Company Secretary, is the Compliance Officer of the Company.

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

- to approve and register transfer and/or transmission of all classes of shares;
- to sub-divide, consolidate and issue duplicate share certificates on behalf of the Company;
- resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- to do all such acts, things and deeds as may be necessary or incidental to the exercise of the above powers;
- to do such acts, things and deeds as may be prescribed by statutory and regulatory authorities from time to time.

The Committee met 2 (two) times during the Financial Year 2019-20 on May 15, 2019 and November 4, 2019. Attendance of members of the Committee at the meetings held during the Financial Year 2019-20 is as below:

Name of the Director	Number of SRC Meetings	
	Held	Attended
Mr. Arun Nanda	2	2
Mr. V S Parthasarathy	2	2
Mr. Kavinder Singh	2	2
Mr. Cyrus Guzder	2	1

During the financial year under review, 1 complaint was received from a Shareholder, which has been attended to/ resolved. As of March 31, 2020, there are no pending share transfers or complaints from the shareholders.

Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility (CSR) Committee is inter-alia to approve the CSR activities of the Company in terms of compliance under provisions of the Act. The CSR Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. V S Parthasarathy, Mr. Cyrus Guzder and Mr. Kavinder Singh.

The Committee met once during the Financial Year 2019-20 on May 15, 2019 and all the members of the Committee attended the said meeting.

Inventory Approval Committee

Inventory Approval Committee was constituted by the Board for evaluating and approving property acquisition(s) by way of outright purchase as well as long term lease proposals and short term inventory arrangements for the Company. The Inventory Approval Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. Cyrus Guzder and Mr. Kavinder Singh.

No meeting of the Committee was held during the financial year 2019-20. During the year under review, the Committee approved certain transactions by passing the resolutions by way of circulation.

Strategy and Review Committee

The Strategy and Review Committee was constituted by the Board to evaluate and review the business plan and make necessary recommendations and also review the performance of the Company. The Strategy and Review Committee consists of Mr. Arun Nanda (Chairman of the Committee), Mr. Cyrus Guzder, Mr. Rohit Khattar, Mr. Sanjeev Aga and Mr. Kavinder Singh. There was no meeting of the Committee held during the financial year 2019-20 as the evaluation and review of strategy and business plan was considered and approved by the Board at its meeting held on March 19, 2020.

Risk Management Committee

The provisions of Regulation 21 of the SEBI Listing Regulations with reference to Risk Management Committee are applicable to your Company with effect from April 1, 2019, being one of the top 500 listed entities, determined on the basis of market capitalisation as on March 31, 2019.

The Risk Management Committee consists of Mr. Cyrus Guzder (Chairman of the Committee), Mr. Sridar Iyengar, Mr. Sanjeev Aga and Mr. Kavinder Singh as members of the Committee. The Board of Directors at their meeting held on November 4, 2019 had appointed Mr. Sridar Iyengar and Mr. Sanjeev Aga as the members of the Committee. Mr. Arun Nanda and Mr. V S Parthasarathy ceased to be the members of the Risk Management Committee w.e.f. November 4, 2019. Mr. Cyrus Guzder has been appointed as the Chairman of the Risk Management Committee at its meeting held on February 1, 2020.

The Risk Management Committee's prime responsibility is to oversee the implementation of the risk management policy of the Company.

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

- to lay down procedures to inform the Board members about the risk assessment and minimization procedures.
- to recommend the Board in framing, implementing and monitoring the risk management plan for the company.
- Monitoring and reviewing of the risk management plan and such other functions as it may deem fit and such function shall specifically cover cyber security.

The Committee met once during the financial year 2019-20 on February 1, 2020 and all the members of the Committee attended the said meeting. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The risk management framework has been discussed in greater detail in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

Securities Allotment Committee

The Securities Allotment Committee was formed by the Board of Directors, for allotment of Bonus Equity Shares, allotment of the Company's securities pursuant to the exercise of options under Company's Employees' Stock Option Schemes and allotment of securities as may be delegated by the Board / approved by the shareholders of the Company from time to time.

As on March 31, 2020, the Committee comprised of 3 (three) members: Mr. Arun Nanda, Mr. V S Parthasarathy and Mr. Kavinder Singh.

No meeting of the Committee was held during the financial year 2019-20.

Other 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 at www.clubmahindra.com. All the Board Members and Senior Management personnel of the Company have affirmed compliance with these Codes. A declaration to this effect, signed by the Managing Director & CEO is attached at the end of this report.

Disclosure of Accounting Treatment

The standalone and consolidated financial statements for the financial year 2019-20 have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) issued by the Institute of Chartered Accountants of India and the provisions of the Act and the Rules framed thereunder.

CEO and CFO Certification

Certificate issued by Mr. Kavinder Singh, Managing Director & Chief Executive Officer (MD & CEO) and Mrs. Akhila Balachandar, Chief Financial Officer (CFO) of the Company, for the Financial Year under review, was placed before the Board of Directors at its meeting held on May 9, 2020, in terms of Regulation 17(8) of the SEBI Listing Regulations. The MD & CEO and CFO have also provided quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI Listing Regulations.

Compliance Certificate of the Auditors

Certificate from the Company's Auditors, M/s B S R & Co. LLP, confirming compliance with the conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI Listing Regulations, is attached to this Report.

Certificate from Practicing Company Secretary

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies.

Further, a certificate from M/s M. Damodaran & Associates LLP, Practicing Company Secretary, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority, is attached to this Report.

Details of remuneration to Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is given below:

(₹ in lakhs)

Payment to statutory auditors	FY 2019-20
Audit Fees	58.00
Other services	44.28
Reimbursement of expenses	2.96
Total	**105.24**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Directors' Report which forms a part of the Annual Report.

Subsidiary Companies

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. Mr. Sridar Iyengar, Independent Director of the Company, acts as a Director on the Board of Holiday Club Resorts Oy, Finland, material unlisted subsidiary of the Company as on March 31, 2020. The policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at: https://www.clubmahindra.com/about-us/policies

The Company monitors performance of subsidiary companies, inter alia, through Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed by the Company's Audit Committee. Minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board. A statement containing all significant transactions and arrangements, if any, entered into by unlisted material subsidiary companies is placed before the Company's Board.

Related Party Transactions

During the Financial Year 2019-20, 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 those mentioned in the Directors Report. Further, the details of related party transactions form part of notes to the standalone accounts of the Annual Report.

The Policy on materiality of and dealing with the related party transactions as approved by the Audit Committee and the Board is available on the website of the Company at: https://www.clubmahindra.com/about-us/policies

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 adopted a comprehensive Code of Conduct for Prevention of Insider Trading in Securities of Mahindra Holidays & Resorts India Limited ('Insider Trading Code'). The Insider Trading Code lays down guidelines, through which it advises the designated persons or directors on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations. In accordance with the amended SEBI (Prohibition of Insider Trading) Regulations, 2015, which were effective from April 1, 2019, the Company has revised its "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ('Code of Fair Disclosure') and Insider Trading Code. The Company has also formulated and adopted a "Policy for disclosure of unpublished price sensitive information (UPSI) for legitimate purposes" which forms a part of its Code of Fair Disclosure and a "Policy for dealing with instances of leakage of UPSI".

Dividend Distribution Policy

The Company has adopted Dividend Distribution Policy in terms of requirements of the SEBI Listing Regulations and the same is available under Company's website at: https://www.clubmahindra.com/about-us/policies

Proceeds from Public Issues

During the year under review, the Company has not raised any funds from public issue, right issue or preferential issue.

Details of Establishment of Vigil Mechanism, Whistle Blower Policy etc.

The Company has established a vigil mechanism by adopting Whistle Blower Policy pursuant to which whistle blowers can raise concerns in a prescribed manner. Further, the mechanism adopted by the Company encourages a whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of the whistle blower who avails of such mechanism as well as direct access to the Chairman of the Audit Committee. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the whistle blowers have been denied access to the Audit Committee of the Board. The Whistle Blower Policy is available on the website of the Company at: https://www.clubmahindra.com/about-us/policies

Commodity Price Risk and Commodity hedging activity

The Company does not have any significant exposure to commodity price risk. Its exposure, in none of the individual commodities which are sourced for use as inputs in its businesses, is material in the context of its overall operations and accordingly, the disclosure requirements prescribed under the SEBI Circular dated November 15, 2018 are not applicable for the Company.

Foreign Exchange Risk and hedging activity

The Company proactively manages foreign exchange risk to protect value of exposures, if any, with an objective to manage financial statement volatility. Currently, the Company is only an importer and has in place appropriate risk hedging strategy. Foreign exchange exposures are periodically reviewed and if necessary, hedged while avoiding trading and speculative positions. The Board periodically reviews foreign exchange exposure, if any, and hedges undertaken by the Company. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures.

Details of Unclaimed Shares

In compliance with the provisions of Regulation 39 of the SEBI Listing Regulations, the Company has a Demat account titled "Mahindra Holidays & Resorts India Limited - Unclaimed Shares Demat Suspense Account" ("Demat Suspense Account") for holding the unclaimed shares which were allotted pursuant to Initial Public Offer (IPO) of the Company.

As on March 31, 2020, the Company has 4 shareholders with 125 unclaimed shares lying in the Demat Suspense Account. The voting shall remain frozen till the rightful owner of such shares claims the shares. The details as required to be disclosed in the Annual Report are given below:

Particulars	No. of cases	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2019	5	172
Number of shareholders who approached Issuer / Registrar and Transfer Agent for transfer of shares from suspense account during the year 2019-20	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2019-20	Nil	Nil
Number of shares transferred to Investor Education and Protection Fund during the year 2019-20	1	47
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2020	4	125

Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 and 125 of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF Authority. Further, according to the IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for a period of seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority.

In accordance with the IEPF Rules and the interest of the Shareholders, the Company has sent notices to all the Shareholders, whose shares were due to be transferred to the IEPF Authority, to claim their dividend in order to avoid transfer of dividend/ shares to IEPF Authority and notice in this regard was also published in the newspapers.

In view of the above, unpaid dividend amounting to ₹ 76,176/- for the financial year 2011-12 and 197 equity shares were transferred to the IEPF Authority during the financial year 2019-20.

The members who have a claim on above dividend and shares may claim the same from the IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The Company has uploaded the details of unclaimed dividend amounts lying with the Company as on July, 31 2019 (date of last AGM) and shareholders whose shares are liable to be transferred to the IEPF Authority on the Company's website at https://www.clubmahindra.com/about-us/investor-relations/financials

The Company has appointed a Nodal Officer under the provisions of the IEPF Rules and the details of which are available on the Company's website at https://www.clubmahindra.com/about-us/investor-relations/investor-contact

Management Discussion and Analysis Report

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

Compliance with Regulations pertaining to Corporate Governance

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

As regards the discretionary requirements, there is no modified audit opinion in the Company's Financial Statements. The Company continues to adopt best practices to ensure that its Financial Statements remained with unmodified audit opinion. The Company is maintaining separation in the post of the Chairperson and the Chief Executive Officer. Further, the Internal Auditors do report to the Audit Committee of the Board of Directors of the Company.

General Body Meetings

Details of AGMs held during the past three years and Special Resolution(s) passed

Year	Date	Time	Venue	Special Resolution(s) Passed
2017	August 2, 2017	3.00 PM	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006.	Payment of remuneration to Mr. Kavinder Singh (DIN 06994031), Managing Director & Chief Executive Officer ("MD & CEO") of the Company for a period of two years with effect from November 3, 2017 to November 2, 2019 (both days inclusive).
2018	August 2, 2018	3.00 PM	Vani Mahal (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai -600 017	No special resolution was passed
2019	July 31, 2019	3.00 PM	Vani Mahal (Mahaswami Hall), 103, G. N. Chetty Road, T. Nagar, Chennai -600 017	i. Re-appointment of Mr. Rohit Khattar and Mr. Sanjeev Aga, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term of five years each commencing from August 27, 2019 to August 26, 2024. ii. Re-appointment of Mr. Sridar Iyengar, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2022. iii. Re-appointment of Mr. Cyrus Guzder, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from August 27, 2019 to July 31, 2020. iv. Re-appointment of Mr. Kavinder Singh as the Managing Director & Chief Executive Officer of the Company for a period of five years with effect from November 3, 2019 to November 2, 2024.

No Special Resolution has been passed in the last year through Postal Ballot.

During the year under review, no Extra-ordinary General Meeting was held. No Special Resolution is proposed to be passed through Postal Ballot.

General Shareholder Information: Twenty Fourth AGM - Financial Year 2019-20

Day / Date : Monday, August 31, 2020

Time : 11:00 a.m. (IST)

Venue : Since the AGM is held through Video Conferencing/Other Audio Visual Means, Registered office of the Company will be the deemed venue for the meeting.

Financial Year

The Financial Year covers the period from April 1 to March 31

Financial Reporting for 2020-21

The First Quarter Results – June 30, 2020	By last week of July, 2020
The Half Yearly Results – September 30, 2020	By last week of October, 2020
Third Quarter Results – December 31, 2020	By last week of January, 2021
Approval of Annual Accounts – March 31, 2021	By last week of April, 2021

Note: The above dates are indicative.

Means of Communication

The quarterly, half-yearly and yearly financial results are normally published in Business Standard (English editions) and Makkal Kural (Tamil edition). These are not sent individually to the Shareholders.

The Company's financial results and official news releases are displayed on the Company's website at www.clubmahindra.com and also available on the website of National Stock Exchange of India Ltd. (www.nseindia.com) and BSE Ltd (www.bseindia.com).

Presentations are also made to international and national institutional investors and analysts, which are also put up on the website of the Company.

Credit Ratings

Details of credit ratings obtained by the Company have been provided in the Directors' Report which forms a part of this Annual Report.

Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges

Name and address of Stock Exchanges	Stock Code / Symbol
(1) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	MHRIL
(2) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	533088 / MHRIL

The requisite listing fees have been paid in full to the Stock Exchanges where the Company's shares are listed.

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

ISIN: INE998I01010

Stock Performance

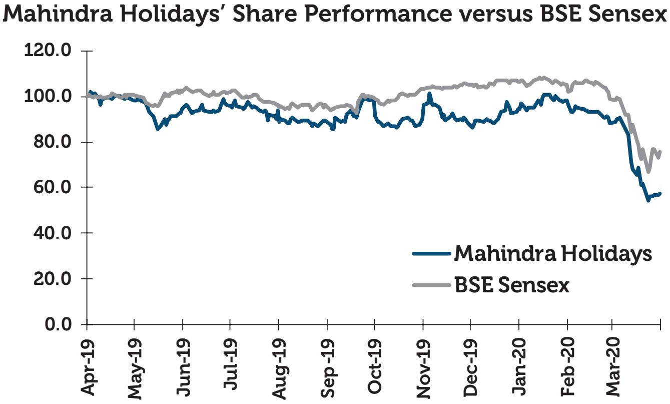
BSE and NSE – Monthly High / Low and Volumes

	National Stock Exchange of India Limited			BSE Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
April, 2019	246.90	229.15	5,52,998	250.80	229.85	47,726
May, 2019	241.50	196.25	7,02,669	245.00	195.70	82,572
June, 2019	240.95	218.00	5,71,971	240.65	218.40	56,771
July, 2019	239.40	209.00	6,08,584	239.45	209.20	40,313
August, 2019	234.95	204.10	4,53,820	224.00	203.55	36,693
September, 2019	248.85	204.10	3,99,113	248.00	204.65	49,238
October, 2019	238.30	199.95	11,54,768	237.85	200.85	57,061
November, 2019	253.00	212.35	18,29,960	252.45	212.55	1,48,966
December, 2019	243.75	206.45	11,70,511	243.40	206.50	58,545
January, 2020	244.90	224.50	4,92,640	244.70	224.50	32,629
February, 2020	241.90	210.10	4,93,032	240.00	209.30	42,238
March, 2020	222.90	122.35	16,37,994	223.35	122.55	1,37,868

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

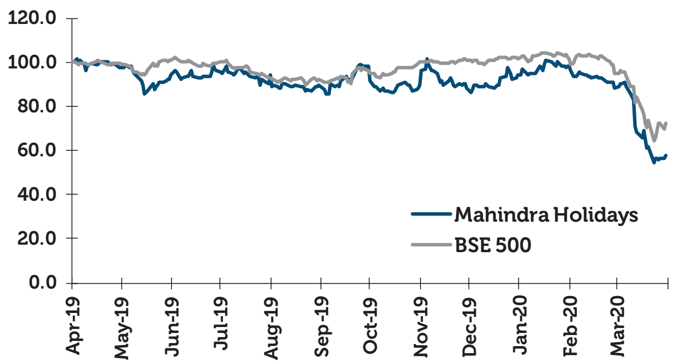
Month	MHRIL's Closing Price on NSE on the last trading day of month (₹)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month
April, 2019	235.55	39,031.55	11,748.15	15,293.75
May, 2019	227.10	39,714.20	11,922.80	15,517.90
June, 2019	232.30	39,394.64	11,788.85	15,291.70
July, 2019	226.20	37,481.12	11,118.00	14,324.12
August, 2019	216.60	37,332.79	11,023.25	14,234.07
September, 2019	237.60	38,667.33	11,474.45	14,810.02
October, 2019	216.35	40,129.05	11,877.45	15,387.13
November, 2019	214.00	40,793.81	12,056.05	15,567.67
December, 2019	227.30	41,253.74	12,168.45	15,667.44
January, 2020	239.50	40,723.49	11,962.10	15,649.81
February, 2020	212.85	38,297.29	11,201.75	14,627.62
March, 2020	139.75	29,468.49	8,597.75	11,098.23

Mahindra Holidays' Share Performance versus BSE Sensex



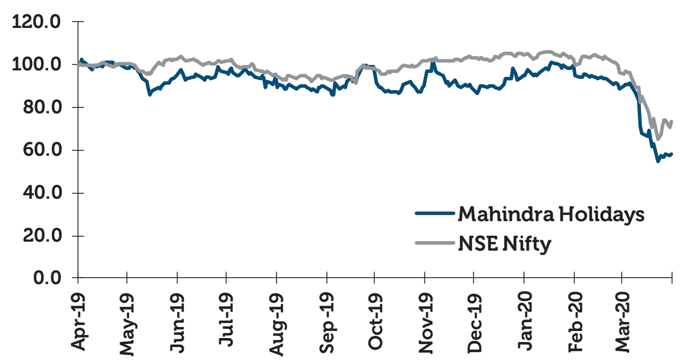
Note: Share price of Mahindra Holidays and BSE Sensex have been indexed to 100 on April 1, 2019.

Mahindra Holidays' Share Performance versus BSE 500



Note: Share price of Mahindra Holidays and BSE 500 have been indexed to 100 on April 1, 2019.

Mahindra Holidays' Share Performance versus NSE NIFTY



Note: Share price of Mahindra Holidays and NSE NIFTY have been indexed to 100 on April 1, 2019.

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 fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respect.

The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the transfer proposals and attend to Shareholders' grievances. As of March 31, 2020, there are no pending share transfers pertaining to the year under review.

SEBI vide its notification dated June 8, 2018 amended Regulation 40 of the SEBI Listing Regulations, and mandated that the transfer of securities would be carried out in dematerialized form only i.e., investors mandatorily need to dematerialize their securities for any further transfer.

Distribution of Shareholding as on March 31, 2020

Category (Shares)	Number of Shareholders	% to Shareholders	Number of Shares	% to shares
1 - 100	21,264	66.79	7,68,362	0.58
101 - 500	7,437	23.36	17,72,809	1.33
501 - 1000	1,557	4.89	11,66,539	0.87
1001 - 5000	1,232	3.87	25,00,581	1.87
5001 - 10000	170	0.53	12,36,395	0.93
10001 - 50000	114	0.36	24,66,010	1.85
50001 - 100000	28	0.09	18,74,952	1.40
100001 & above	36	0.11	12,17,68,136	91.17
Total	**31,838**	**100.00**	**13,35,53,784**	**100.00**

Shareholding Pattern as on March 31, 2020

Category of Shareholders	Total Holdings	Holdings in Percentage
Promoters holdings	8,98,90,615	67.31
Foreign Portfolio Investors	71,88,839	5.38
Mutual Funds	1,92,92,051	14.45
Alternate Investment Funds	7,95,826	0.60
Qualified Institutional Buyer	65,179	0.05
Banks, Financial Institutions & others	41,868	0.03
Bodies Corporate	12,56,748	0.94
NRIs/OCBs/Foreign Nationals	5,91,461	0.44
ESOP Trust	6,30,040	0.47
IEPF	480	0.00
Clearing Members	1,05,143	0.08
Indian Public	1,36,95,534	10.25
Total	**13,35,53,784**	**100.00**

Dematerialisation of Shares

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through National Securities Depository Limited or Central Depository Services (India) Limited to the Registrar & Transfer Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

As on March 31, 2020, 99.99 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 32.69 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
Tamil Nadu, India
T: +91 44 3988 1000; F: +91 44 3027 7778
E: investors@mahindraholidays.com
W: www.clubmahindra.com

Corporate Office:

Mahindra Towers, 1st Floor,
'A' Wing, Dr. G.M. Bhosle Marg,
P.K. Kurne Chowk,
Worli, Mumbai – 400 018
Maharashtra, India
T: +91 22 3368 4722; F:+91 22 3368 4721
E: investors@mahindraholidays.com
W: www.clubmahindra.com

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 at: www.clubmahindra.com.

Registrar and Transfer Agent

M/s. KFin Technologies Private Limited
(formerly Karvy Fintech Private Limited)
Unit: Mahindra Holidays & Resorts India Limited
Selenium, Tower B, Plot No.31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032,
Telangana, India
Toll Free: 18003454001
E: einward.ris@kfintech.com

Address for Correspondence

Shareholders may correspond with the Company at its Corporate Office or with the Registrar and Transfer Agent M/s. KFin Technologies 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

Mahindra Towers, 1st Floor,
'A' Wing, Dr. G. M. Bhosle Marg,
P.K. Kurne Chowk,
Worli, Mumbai – 400 018
Maharashtra, India
T: +91 22 3368 4722
F: +91 22 3368 4721
E: investors@mahindraholidays.com

Company's Investor E-mail ID

The Company has a designated e-mail ID investors@mahindraholidays.com for Shareholders for the purpose of registering complaints. This has also been displayed on the Company's website.

Company's website

www.clubmahindra.com

Declaration on Code of Conduct

To

The Members of Mahindra Holidays & Resorts India Limited

I, Kavinder Singh, Managing Director & CEO of Mahindra Holidays & Resorts India Limited, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Place: Mumbai
Date: May 19, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Mahindra Holidays & Resorts India Limited

No. 17 & 18, 2nd Floor,

Mahindra Towers, Patullos Road,

Chennai – 600 002.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mahindra Holidays & Resorts India Limited** having CIN - L55101TN1996PLC036595 and having registered office at No. 17 & 18, 2nd Floor, Mahindra Towers, Patullos Road, Chennai – 600002 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Arun Nanda	00010029	28/01/1998
2.	Mr. Kavinder Singh	06994031	03/11/2014
3.	Mr. Sanjeev Aga	00022065	18/04/2013
4.	Mr. Cyrus Guzder	00080358	07/08/1998
5.	Mr. V S Parthasarathy	00125299	27/08/2014
6.	Mr. Rohit Khattar	00244040	12/01/2004
7.	Mr. Sridar Iyengar	00278512	30/04/2008
8.	Mrs. Sangeeta Talwar	00062478	01/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **M. Damodaran & Associates LLP**

M. Damodaran
Managing Partner
Membership No. 5837
C.P. No: 5081
ICSI UDIN No: F005837B000255955

Place: Chennai
Date: 19.05.2020

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Mahindra Holidays & Resorts India Limited

1. This certificate is issued in accordance with the terms of our agreement dated 13 October 2017 and addendum to the engagement letters dated 16 October 2018 and 10 March 2020.

2. This report contains details of compliance of conditions of corporate governance by Mahindra Holidays & Resorts India Limited ('the Company') for the year ended 31 March 2020 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and BSE Limited (collectively referred to as the 'Stock exchanges').

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2020.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17-27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
(ICAI Firm's Registration No: 101248W/W-100022)

Koosai Lehery
Partner
Membership No: 112399
UDIN: 20112399AAAABH9469

Place: Mumbai
Date: 19 May, 2020

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2019-20

[Pursuant to the regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A: General Information about the Company

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L55101TN1996PLC036595
2.	Name of the Company	MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED
3.	Registered address	Mahindra Towers, 2nd Floor, 17/18, Patullos Road, Chennai – 600002
4.	Website	www.clubmahindra.com
5.	E-mail id	investors@mahindraholidays.com
6.	Financial Year reported	April 1, 2019 – March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Codes 55 – Accommodation 56 – Food & Beverages service activities
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Sale of vacation ownership membership (ii) Sale of Food and Beverages
9.	Total number of locations where business activity is undertaken by the Company	
	A. Number of International Locations (details of major 5)	The Company is having marketing offices in Dubai, Kenya and Qatar. Further, the Company manages and operates hotel properties in Kuala Lumpur (Malaysia), Bangkok (Thailand) and Dubai. The Company also have inventory arrangements or tie-ups in the USA, Sri Lanka, Bhutan, Singapore, Phuket and Pattaya. Holiday Club Resorts Oy, Finland, subsidiary of the Company, is the largest vacation ownership company in Europe, having resorts in Finland, Sweden and Spain.
	B. Number of National Locations	The Company has its business activities and operations spread across the country which includes 60 domestic resorts and 120+ branches, sales offices and channel partners.
10.	Markets served by the Company – Local/State/ National/International	The Company mainly serves the Indian markets in addition to marketing of vacation ownership membership in Qatar, Kenya and United Arab Emirates (through its office located at Dubai).

Section B: Financial Details of the Company

(₹ in lakhs)

No.	Particulars	Amount
1.	Paid up Capital	13,355.38
2.	Total Turnover*	97,700.53
3.	Total profit/(loss) after taxes (post one-time tax impact)*	(10,876.06)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (2%)	365.15
5.	List of activities in which expenditure in 4 above has been incurred:- CSR expenditure has been incurred mainly in the activities related to (a) environmental sustainability, (b) promotion of education & skill development, (c) healthcare, (d) rural development, (e) water and sanitization, (f) protection of National Heritage, Art & Culture and (g) disaster relief. Further details on CSR Activities are available in Annexure III to the Directors' Report which forms part of the Annual Report.	

* As per Standalone financial statements for the financial year 2019-20.

Section C: Other details

1. Does the Company have any Subsidiary Company/ Companies?

   Yes. The Company has 34 Subsidiary Companies (including 32 foreign subsidiaries) as on March 31, 2020.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   The operations and initiatives of the Company have been included in the annual Mahindra Group Sustainability Report since 2007-08. In addition, every year the Company releases a standalone Business Responsibility Report in accordance with the GRI frame work. The report explores how the Company fulfils stakeholders and environment responsibilities through combination of long-term strategy, robust processes and motivated people. The Company has a Code of Conduct for Employees and Directors as well as set of Governance polices. This Code and policies are also followed by the domestic subsidiary companies with modifications depending on their business requirements. The foreign subsidiaries of the Company are also encouraged to follow the Company's policies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   No

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

No	Particulars	Details
1	DIN Number (if applicable)	06994031
2	Name	Mr. Kavinder Singh
3	Designation	Managing Director & CEO

b. Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mrs. Priyanka Gidwani
3	Designation	Chief Human Resources Officer
4	Telephone number	+91 22 3368 4722
5	Email ID	Priyanka.Gidwani@mahindraholidays.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs, duly approved by the Board of Directors of the Company has been adopted by the Company. The BR Policy is operationalised and supported by various other policies, guidelines & manuals.

NVG Principle

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Business should promote the well-being of all employees.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 Business should respect and promote Human Rights.

P6 Business should respect, protect, and make efforts to restore the environment.

P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The response regarding the above 9 principles (P1 to P9) is given below:

No.	Questions	Ethics and Transparency	Products Responsibility	Wellbeing of employee	Responsiveness to Stakeholders	Respect Human Rights	Environmental Responsibility	Public advocacy	Support Inclusive Growth	Engagement with Customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y (Note 1)	Y
3.	Does the policy conform to any national/ international standards? If yes specify(50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)	Y (Note 2)
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)	Y (Note 3)
7.	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievances to the Policy/ policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1 – While there is no formal consultation with all stakeholders, the relevant policies have been evolved over a period by taking inputs and feedbacks from the relevant stakeholders.

Note 2 – The Code of Conduct for Directors, the Code of Conduct for Senior Management and Employees, Whistle Blower Policy, Sustainability Policy, Business Responsibility Policy and Corporate Social Responsibility Policy are approved by the Board.

Note 3 – It has been Company's practice to upload all policies on the intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors, the Code of Conduct for Senior Management and Employees, Whistle Blower Policy, Sustainability Policy, Business Responsibility Policy and Corporate Social Responsibility Policy are available on the Company's website i.e. www.clubmahindra.com.

3. Governance related to Business Responsibility (BR)

Information with reference to BR framework:

(1) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

The CSR and sustainability performance of the Company is presented at the Board and CSR Committee meetings. Mr. Kavinder Singh, Managing Director & CEO of the Company, who is on the Board and also a member of the CSR Committee, assesses the BR performance every quarter.

(2) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has been publishing the BR Reports on an annual basis since financial year 2016-17 and the same are available on the website of the Company at www.clubmahindra.com. While no standalone sustainability report is published by the Company, Mahindra Group Sustainability Report (of which the Company is also a part of) as per the GRI framework is published annually. All Sustainability Reports from 2007-08 are accessible on the website of Mahindra & Mahindra at https://www.mahindra.com/about-us/sustainability.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

   The Company has defined a Code of Conduct for Directors as well as all employees of the Company that covers issues, inter alia, related to ethics, bribery and corruption. It also covers all dealings with suppliers, customers, business partners and other stakeholders. The Code of Conduct for Senior Management and Employees forms an integral part of the induction of new employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like Investors, Customers, Employees, Suppliers, etc.

   During the financial year 2019-20, 4 (four) complaints were received under the Whistleblower mechanism and 1 (one) complaint was received under the Prevention of Sexual Harassment mechanism. Further, the Company has received 1 (one) complaint from a shareholder during the financial year 2019-20.

   All the above complaints were attended to and resolved as per due procedures under the respective redressal mechanisms.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company is committed to conserve the ecological integrity of its operating locations through responsible business practices and measures such as measurement of carbon footprint, conservation of biodiversity, energy conservation and use of renewable sources, water conservation and waste recycling. The principles of sustainability are embedded into the various stages of product or service life-cycle, including procurement of raw material, preparation of food products in the resorts, delivery of services and disposal by consumers. The Company also ensures environmental sustainability by building green spaces, responsible use, measures to rejuvenate natural resources and responsible waste management.

   The Company has undertaken many energy saving initiatives at the resorts. These includes the use of solar power plants for generation of renewable energy, hot water generation through heat pump instead of diesel boilers and use of electric vehicles for internal mobility. The Company is using rainwater harvesting system to ensure responsible use of natural resources while conducting business activities. The Company has also committed itself to the Science Based Target Initiative for reducing the carbon footprints at all its Resorts.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company endeavours to reduce the energy consumption, increasing share of renewable energy sources in total energy consumption, increasing water conservation, recycling and reusing waste generated.

The Company identifies the significant environment aspects arising from the activities and adopt mitigation plan to minimise the impact to the extent possible. The Company undertakes generation of renewable energy by installation of solar power plants which ensures production of clean energy. This initiative has reduced the electricity units consumed from state electricity boards by 4% to 5%.

The Company's efforts are focused towards building green spaces that ensure the well-being of Club Mahindra vacation ownership members. All ongoing projects undergo pre-certification under the Indian Green Building Council (IGBC) rating system. The appearance of a Green Building will be similar to any other building. However, the difference is in the approach, which revolves round a concern for extending the life span of natural resources, provide human comfort, safety and productivity. This approach results in reduction in operating costs like energy and water, besides several intangible benefits.

The Company has also taken steps for conservation of energy by use of reverse air conditioning principle for generation of hot water through heat pumps, thereby eliminating the diesel consumption resulting into 67% lesser diesel consumption as compared to the previous year. Another important initiative includes the usage of natural food waste composting bins to convert food waste to manure and thereby eliminating use of waste composting machines which consumes power. The Company has taken measures to further conserve energy and water by installation of energy efficient machines and deployment of biogas plants and compost machines for recycling dry and wet garbage respectively.

The Company has also invested in equipment upgrades like LED lighting, highly-efficient heat pumps, installation of IOT based energy management system and Sewage Treatment Plant (STP) water quality monitoring and improvement system and variable frequency drives at its various resorts. The Company adopts measures such as rain water harvesting for eliminating dependency on outside water tankers/municipal water supply in few of its resorts and has installed water flow restrictors for reduced water consumption. These initiatives have helped to achieve 10% reduction in water requirement from outside resources and 21% reduction in water consumption.

The Company has also committed itself to the Science Based Target Initiative, which requires it to reduce greenhouse gas emissions in line with targets necessary to limit global temperature rise to below two degrees Celsius. Replacement of diesel hot water generator with energy efficient heat pumps helped in eliminating the use of diesel.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company strives in adopting sustainable practices in all its operations including sustainable sourcing of inputs. The Company has adopted the procedures for ensuring sustainable activities which are also available on the Company's website. All items purchased are done only if it meets the required sustainable parameters. The Company also undertakes audit check of Vendors premises every month and also delivers key Vendor Performance rating on monthly basis for further improvements. The Company ensures that whatever products purchased are environment friendly products. All the items used in the rooms at every resort are plastic free and biodegradable products.

The solar power plants have been installed at several resorts to generate electricity and replaced CFL and Fluorescent tube to LED bulb. Use of plastic products like laundry bag, garbage bag, plastic straw has been replaced by biodegradable products. In room amenities products like tooth paste kit, dental kit etc., which used to come in card board box are now put in corn starch biodegradable pouch.

The Company has crafted extensive strategies to ensure sustainable consumption of energy, water and other resources in its businesses. The focus has been on to reduce the specific energy consumption, increasing share of renewable energy sources in total energy consumption, water conservation, recycling and reusing waste generated.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company's Triple Bottom Line commitment to concurrently build economic, social and environmental capital has spurred innovation to address some of the most challenging societal issues including widespread poverty and environmental degradation. The concerted efforts of the Company over the years have led to the creation of sustainable livelihoods for local people in the vicinity of its resorts, many of whom represent the most disadvantaged in society.

The Company always give preference to local and small vendors including communities surrounding the resorts, in sourcing and procurement for materials required at the resorts. The perishable items like fruits, vegetables, egg, meat fish & poultry etc., are sourced from the local and marginalized vendors. Further, lot of items like sugarcane, jaggery, etc. are also procured from the local farmers. The Company also aims to help suppliers in understanding the importance of sustainable development as well as create a platform for them to discuss their concerns and challenges.

Further, the Company engages in imparting trainings on hygiene handling, reduction in power and water usage, etc. during its vendor site audits. The Company took the initiative of organizing the All India Purchase Meet at Ashtamudi (Kerala) where the Vendors from that Region were called to attend the training.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company endeavours to integrate sustainability in the procurement process for its products and services across its business. It encourages resource efficiency in the supply chain and provides guidance to supply chain members and partners to adopt sustainable practices.

The Company embarked on the 'Zero Waste to Landfill' program with a pilot project at its Virajpet resort during the previous year. The Virajpet resort in Coorg, Karnataka became India's first Zero Waste to Landfill (ZWL) resort. Intertek, a Total Quality Assurance provider worldwide, accredited Mahindra Holidays with this certification. Also, the Madikeri resort in Coorg, Karnataka is expected to receive the ZWL certification shortly, along with Varca Beach resort, Goa and the Munnar resort, Kerala.

The Company has recycled/reused more than 60% of the waste by means of direct/indirect recycling through approved third party channel partners.

Further, resource efficiency is integrated into product and process design and is a critical component in the creation of physical infrastructure, operations phase, logistics, water management, energy management and waste management. The Company has installed organic waste converters, vermicompost systems and biogas plants at its resorts. During the year under review, 50% of the wet waste produced by the Company was recycled. About 50% of the total water consumed is recycled. STP water is used for gardening and flushing after treatment. The Company has also entered into an arrangement with Eco E market for recycling its E-waste and other general waste recycling.

Principle 3: Businesses should promote the well-being of all employees –

1. Please indicate the Total number of employees.: 5,518
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: 990
3. Please indicate the Number of permanent women employees: 1,044
4. Please indicate the Number of permanent employees with disabilities: 63
5. Do you have an employee association that is recognized by management: N.A.
6. What percentage of your permanent employees is members of this recognized employee association? N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	1	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
   (1) Permanent Employees: 100%
   (2) Permanent Women Employees: 100%
   (3) Casual / Temporary / Contractual Employees: 100%
   (4) Employees with disability: 100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No:

   Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized section of stakeholders through its CSR Programs. These include the rural communities, less-privileged, marginalized youth and women, cancer-affected individuals, disaster victims, socially and economically backward groups - from target geographies identified from time to time.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company identifies the disadvantaged/ underprivileged sections of the demography residing in the peripheral areas of the Company by conducting on-ground need assessments from time to time. Various CSR initiatives are rolled out in order to improve the socio-economic condition of the communities. The CSR Policy of the Company makes it a point to focus attention on the disadvantaged segments of the society and directs CSR efforts to uplift them.

The Company has also implemented various mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and provide resolution in an equitable and transparent manner. Engagement responsibility for each stakeholder group is entrusted with specific teams in the Company.

The Company also recruits differently abled employees across locations from Government and private training centres and thus, helping them with livelihood and including them in mainstream. The Company has collaboration with Mahindra Pride School and employs youth from economically backward groups providing them with livelihood. Under the Government's Skill India Initiative, the Company has also collaborated with the Tourism and Hospitality Skill Council to provide opportunities to the skilled employees in the industry. Further details of special initiatives taken by the Company for the disadvantaged/ underprivileged sections, are provided under Principle 8 in this Report.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Business Responsibility (BR) Policy of the Company covers the Human Rights aspects. Human Rights aspects are a part of the supplier selection process and are also included in the contracts drawn up with them. Code of Conduct, Prevention of Sexual Harassment and the Whistleblower Policies along with the BR Policy cover all aspects on Human Rights for the Company and extend to all stakeholders of the Company. The various aspects of Human Rights are followed in the same spirit within as well as outside the organisation when engaging with different stakeholders. The Company plays a positive role in building awareness on human rights for its stakeholders and encourages respect for human rights of the local communities with specific focus on vulnerable and marginalised groups.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the financial year 2019-20, 4 (four) complaints were received under the Whistleblower mechanism and 1 (one) complaint was received under the Prevention of Sexual Harassment mechanism. Further, the Company has received 1 (one) complaint from a shareholder during the financial year 2019-20.

   All the above complaints were attended to and resolved as the per due procedures under the respective redressal mechanisms.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

   With the increasing population and scarcity of natural resources, it has become imperative to use natural resources carefully, minimize damage to the environment and ensure that these resources are available for the future generations. The Company has various policies related to environmental protection. The Environment, Health and Safety Policy and Responsible Sourcing Policy provides the necessary direction towards climate change mitigation and adaptation efforts as well as natural resource replenishment initiatives. The Company's policies are in sync with the Mahindra Group environmental policies. The ideology for Environmental Sustainability is reflected in the rigor and strategic thinking across the organization. The policy covers all stakeholders and the Company has also engaged with a third party consultant 'Sustain Plus' to assist in this initiative through Science Based Targets initiative (SBTi).

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.

   The Company recognises the importance of sustainability and is committed to conserve the ecology surrounding the locations through responsible business practices, accountability and transparency. The Company has direct measures across the resorts to ensure waste minimisation, segregation at source and solid waste recycling. Some of the key areas that have been identified for implementing sustainable practices include tree plantation, carbon footprint measurement, conservation of biodiversity & assessment, use of recyclable products, minimization of construction waste and demolition debris through reuse and recycling, minimization of sanitary waste through reuse of graywater and water-saving devices and increase in use of renewable energy. Rain water is harvested for internal usage. Water is conserved through various techniques adopted during resort operations. STP are set up for treatment of waste water and the treated water is reused for gardening and flushing purpose. The Company has crafted extensive strategies to achieve 100% renewable energy (RE100) for all the resorts by the year 2050, doubling the energy productivity – EP100 by the year 2030, achieve Carbon neutrality by 2030, and has adopted Science based targets initiative (SBTi) for mapping and reducing the GHG's by 83%.

3. Does the company identify and assess potential environmental risks?

   Yes. The Company has identified 22 resorts under the scope of Global Reporting Initiatives.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The Company continually strives to conserve energy and improve the efficiency of water utilization across the resorts by following 5 R principle (Reduce, Reuse, Recycle, Recharge and Rain water harvesting). Solar plants, LED Lights, IOT based energy management system, water meters, using aerators and prismatic taps water efficient showerheads have been installed at most of the resorts to address responsible energy and water consumption. New bath fittings/flush tanks have been installed to reduce water usage. IOT based real time monitoring system has been installed for monitoring STP water quality and improvement. Signage boards have been put up in guest rooms and common area to create awareness amongst staff and guests to use water responsibly. Auto sensors are installed in public area toilets across all resorts.

   The Company is India's first hospitality company that has signed on both RE100 (Renewable Energy) and EP100 (Energy Productivity), a global campaign led by The Climate Group. In doing so, the Company has reinforced its commitment to achieve the renewable energy and energy productivity targets i.e. run on 100% renewable energy by 2050 and to double the energy productivity by 2030. The Company has also committed itself to the Science Based Target Initiative, which requires it to reduce greenhouse gas emissions in line with targets necessary to limit global temperature rise to below two degrees Celsius. The Company has also entered into an arrangement with Eco E Market for E-waste and general waste recycling.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. Same is stated under Sr No. 2 & 4 above mentioned under Principle 6.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:

   None

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes. They are:

   (a) All India Resort Development Association (AIRDA)

   (b) Bombay Chamber of Commerce and Industry

   (c) The Federation of Hotels and Restaurants Association of India

   (d) Confederation of Indian Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   The Company participates as a stakeholder of AIRDA on policies relating to vacation ownership (timeshare industry). Further, the Company also participates in other industry associations related to economic reforms, skill developments and tourism promotion policies etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company is committed towards the development of the community and society at large through its Corporate Social Responsibility (CSR) activities in the operational areas surrounding its periphery, to create an inclusive and equitable society. CSR at the Company is steered by its CSR policy which profiles the vision of the Company in playing a meaningful role in public welfare. The Company's social development projects are aimed at empowering the weakest sections of the society such as children, women, farmers, etc. The programmes implemented are aimed at generating employment and livelihood opportunities and improving living standards of the community. The Company's CSR team is responsible for administering the CSR programmes implemented through NGO's having domain expertise in the area of intervention and location geography.

The major focus areas of the Company's CSR initiatives include: • Environmental Sustainability • promotion of education & skill development • Healthcare • Protection of National Heritage, Art & Culture • Rural Development.

Environmental Sustainability

Under the Company's Jal Jivan initiative, the following water conservation initiatives were rolled out to ensure the availability of water in communities identified as water stressed.

Under the initiative of rejuvenation of a water body in Puducherry, the Company partnered with the organisation Sri Aurobindo Society to raise awareness amongst the local community on water conservation in Bahour, Puducherry. The three main components of the project were to desilt Bahour Tank in order to enhance its water storage capacity, organize sensitization programs across local educational institutes on water conservation and also collaborate with the Bahour Commune Panchayat to organize awareness workshops in the community.

The Company carried out the activity of chlorination of drinking water sources in Wayanad District, Kerala, as excessive rainfall in August 2019 led to flooding in Kerala which caused contamination of a large number of water sources. As a major source of water for families in the district, cleaning and chlorination of wells became critical in order to provide access to clean drinking water free of contamination, thereby reducing and curbing outbreak of diseases. The Company partnered with SEEDS (Sustainable Environment and Ecological Development Society) to provide safe drinking water in order to improve health and hygiene amongst the vulnerable communities. Through the project with SEEDS, the aim of the Company was to clean community wells to support 200 marginalised families of Wayanad District with their potable water requirement. Re-establishing potability of water will enable future resilience of these marginalised communities.

The Company worked with the NGO Students Relief Society, to identify 20 Government schools in Udaipur, Rajasthan for setting up Rooftop Rainwater Harvesting structures. The aim is to make the schools self-sufficient and to inculcate sustainable water management practices through school-based IEC (Information, Education and Communication) approach. This project will benefit the 7,623 children though facilitation, awareness and construction of rainwater harvesting structures for fulfilling the daily requirement of potable drinking water.

The Company provided support to the drought affected areas of Maharashtra, by partnering with the NGO United Way of Mumbai and undertook activities of repair and provision of better water storage facility at two villages, avoidance of wastage of water and ensuring equal water supply to the community.

Under the Mahindra Hariyali - Tree plantation initiatives, the Company planted 40,774 trees this year, which contributed to improving green cover and protecting biodiversity in the country. Besides greening the environment, the aim was also to provide livelihood support to rural communities. Through the Rural Livelihood Program which is designed to improve villager's livelihood and provide a sustainable income for their families, the Company planted 10,000 fruit bearing trees to bring economic sustainability in order to empower them. The Company also partnered with the NGO Sankalpataru Foundation that identified regions of plantation in Karnataka, where there are pressing agricultural and water issues. By taking up plantation in those regions, the Company has taken a step towards the betterment of farmer community and reviving farm practices.

The Company also implemented the plantation of 6,000 local tree species on the Panchayat-owned lands near the water embankments of Surav village, Raigad district, Maharashtra, through Grow-Trees, ensuring environmental sustainability through the enhancement and improvement in tree cover. The aim of the project is to reduce the effects of soil erosion and to augment water catchment in the area. Till date, the Company has planted a total of 3,84,966 trees since the inception of the Mahindra Hariyali initiative in 2010-11.

In support of the Swachh Bharat Abhiyan initiative of the Government of India, the Company's employees conducted cleanliness drives at public places around its peripheral areas. Employees of the Company put in 4,516 hours in cleanliness initiatives that were organized around the resorts, neighboring schools, beaches, highways, etc.

The Company also carried out flood relief operations in disaster-affected areas of Kodagu & Kerala where the Company extended on-ground relief support to assist people in the flood-impacted regions.

Girl Child Education (Project Nanhi Kali) & Skill Development

The Company encourages girl child education for which the Company has been regular donors to K C Mahindra Trust wherein it allocates 50% of the Company's CSR budget for the Nanhi Kali project. Through project Nanhi Kali, the Company helps educate underprivileged girl children from socially and economically marginalized families living in urban, rural and tribal parts of India. This is a national sponsorship program which provides academic and material support to disadvantaged girls so that they can complete their education with dignity. Academic Support is provided in terms of an extra study class which is conducted either before or after school hours in the school itself through the Academic Support Centre. These classes help to bridge the gaps in learning achievements and enable children to reach their grade specific competency level. The classes are conducted by "Community Associates" selected from within the community with the vision that they would be the local resource to act as friends and mentors to the children and at the same time stroking community interest and proactive action for quality education. Material support consists of an education kit comprising of school bag, stationery, books, notebooks, undergarments, shoes and hygiene materials which is ceremonially handed over to every individual Nanhi Kali at a colourful function. It also serves as a platform to sensitize the community on the importance of girl's education. The Company's contribution has helped the NGO to support the education of over 5,000 Nanhi Kalis in Darjeeling, Shravasti, Nashik and Barabanki.

The Company also collaborated with the organization SEWA Bharat and started the SEWA Mahindra National Resource Centre at Mussoorie to enhance employability through Skill Development and career counselling to women & youth. This was a three-year partnership with the organisation. The centre provides vocational courses in Hospitality & Housekeeping, Beauty & Wellness, Garment making to the beneficiaries. Till date, over 3,100 youth have been mobilised and provided training to 347 youth in Mussoorie.

As a part of skill development initiatives, more than 16 youth from the Mahindra Pride School were provided on job training during the financial year 2019-20, of which most belonged to the marginalised communities, thus contributing to the Company's affirmative action commitment.

The Company also undertakes various projects involving provisioning and upgrading of infrastructure and amenities at government schools across various locations.

Healthcare initiatives

The Company has provided medical aid to patients suffering from cancer and nutritional support to differently abled and HIV affected individuals. This was done in partnership with the NGOs Cancer Patients Aid Association and Human Touch India. The Company also supported the NGO "The Indian Red Cross Society" to support their Hospital Infrastructure Improvement project to provide Medicare for the village and tribal population in Mahabaleshwar. To provide access to healthcare facilities, the Company also provided Mobile Medical Units for the benefit of the communities in Tung village, Hatgad & Mahabaleshwar in Maharashtra.

Mahindra Gunsar Lok Sangeet Sansthan: Protection of Art, Heritage and Culture

The Company adopted a music school in Jaisalmer, Rajasthan to train children in local folk music. This is done in partnership with the organisation Gunsar Lok Sangeet Sansthan. Its aim is to promote and revive dying local art and culture of ethnic folk communities. The Company provided financial aid to the organisation to procure musical instruments and also supported the day to day functionalities of the school. Through this programme, 25 children and 10 staff members were supported on a monthly basis. The Company aims to generate livelihood opportunities and improve the overall socio-economic condition of community artists through their traditional art and culture in order to improve their quality of life.

Rural development

The Company aims at promoting health and well-being through strengthening access to sanitation facilities and educating communities on good hygiene practices. Through Swades Foundation, the Company provided household sanitation units to 30 families in Raigad District, Maharashtra. The primary motive is to enable households to have access to and use toilets to fulfil their basic right to sanitation.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The Company's CSR programmes/projects are implemented directly by the Company through its Employees Social Options Programme (ESOP) structure where the CSR team and HR teams across resorts directly implement the programme or through implementing partners which include NGOs having an established track record of at least 3 years in carrying on the specific activity.

3. Have you done any impact assessment of your initiative?

   The Company's direct involvement at the site level enables it to constantly assess and monitor its initiatives. The assessments are done internally through the in-house team and the implementing agency with whom the Company has partnered with for various initiatives and programs.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   The Company's contribution to community development projects amounts to ₹ 365.15 lakhs during the financial year 2019-20. Details of the major projects undertaken under CSR Activities of the Company are available in Annexure III to Directors Report which forms a part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. –

   The Company engages with all stakeholders, right from the problem identification and inception of the project, for the successful implementation of community programmes / initiatives. Sustainability through engaging with the Government at the local level and the community as well is an essential built in feature of the projects. The extensive engagement with the community helps in establishing a joint ownership of the initiatives. Internal tracking mechanisms, reports and follow-up field visits, telephonic and email communications are regularly carried out. The Company has engaged representatives and employee volunteers who drive and monitor the CSR activities to ensure they are successfully adopted by the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Over the years, the Company has focused on making it convenient for its customers to voice out their concerns and accordingly, a well-established escalation matrix has been published on its website. The Company has a robust mechanism of tracking customer complaints and tracks negative feedback across all possible touch points including voice, email, digital and direct walk-ins. The Company has launched a servicing platform on its mobile app through which customers can raise their service requests and concerns. The Company also tracks social media and customer complaints on any platform and the same are picked up instantly. All customer complaints are attended to with utmost sincerity and the Company focusses on addressing and reducing the complaints. Of the total customer complaints, 0.36% were pending at the end of the financial year 2019-20.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? (Yes/No/N.A./Remarks additional information)

   Since the Company is not into manufacturing of products, the requirement of displaying product labeling is not applicable to its service offerings directly to its vacation ownership members/guests. However, the information relating to the entitlement, benefits, usage terms etc. of the vacation ownership membership are detailed in the Membership Rules stated in the Member Application Forms. In addition to that, the Company's resorts have various activities listed at the resorts, which can be enjoyed after complying with appropriate safety measures.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   None

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Being a long-term relationship & experiential product, the Company monitors vacation ownership members' loyalty by adopting a 360-degree approach towards member surveys/feedbacks. Feedbacks are collected across all key lifecycle touch points, post every transaction of the member with the brand. Every feedback also has supplementary questions that guide the Company to understand positive & negative experiences and act accordingly. The Company also captures sentiments behind the members' comments on the various feedback forms and acts on it regularly.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Holidays & Resorts India Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters'

I) Revenue from Contracts with Customers under Ind AS 115 **See note 3 (C), 36 and 52 to the standalone financial statements**	
The key audit matter	**How the matter was addressed in our audit**
The Company has a unique business model and its revenue comprises of numerous individual transactions and also multiple streams of revenue with its members. In accordance Ind AS 115 (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognised over the effective membership period. The application of the accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period. Incremental costs are those that would not have been incurred if the contract was not obtained. The Company has applied significant judgement in identifying the expenses which can be treated as incremental cost of acquiring new members.	Our procedures included the following: - Evaluating the appropriate accounting policy in accordance with Ind AS 115 for membership contracts entered with customers - Evaluating and testing the identification of expenses incurred by the Company, which can get classified as incremental costs of acquisition. - Evaluating the process followed by the Company and evaluating the data used for the purpose of identifying and determining the effective membership period after considering breakage i.e customer's unexercised rights and comparing the basis with historical experience of utilization of memberships. - Evaluating the process followed by the Company and evaluating the data used for the purpose of deferral of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections. - Testing the processes and controls instituted for recognition of revenue and incremental costs of acquisition, over the effective membership period. Involving our IT specialists to test the controls in the IT system for recording revenue as per Ind AS 115. - Assessing the adequacy of the Company's disclosures in accordance with the requirements of Ind AS 115.

II) Contingent liabilities See note 43 to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has significant tax litigations for both direct and indirect taxes. There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements. The value of the litigations together with the level of judgement involved make its accounting treatment a significant matter for our audit.	Our audit procedures included the following: - Examining the list of outstanding litigation against the Company. - Inquiring and obtaining explanation for movement during the year. - Reading the latest correspondence between the Company and the various tax/legal authorities for significant matters for evaluation. - Discussing the status of significant litigation with the Company's senior management personnel and assessing their responses. - Examining external opinions obtained by the Company from external advisors. - Involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. - Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.

III) Leases in accordance with Ind AS 116 See note 3 (A), 5, 26, 31 and 53 to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
Ind AS 116 on leases is effective from April 1, 2019 - The Company has a large number of leasing arrangements both within India and overseas. - The application of the new accounting standard on lease, involves certain judgements relating to determination of incremental borrowing rate, determination of leases to which Ind AS 116 applies, determination of lease period and selection of transition option. - The value of the transition adjustment in relation to Ind AS 116 together with the level of judgement involved make its accounting treatment a significant matter for our audit.	Our audit procedures included the following: - Assessing and testing new processes and controls in respect of Ind AS 116; - Assessing the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business; - Evaluating the reasonableness of management's key judgements and estimates made in preparing the transition adjustments. - Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments. - Reassessing management's calculation on remeasurement of lease liabilities. - Testing completeness of the lease data by reconciling the Company's operating lease commitments as at March 31, 2019 to data used in computing the opening ROU asset and the lease liabilities as at April 1, 2019. - On a statistical sample, assessing the key terms and conditions of each lease with the underlying lease contracts; and - On a statistical sample, evaluating computation of lease liabilities and challenging the key estimates such as, discount rates and the lease term. - Assessing and testing the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

   (C) With respect to the matter to be included in the Auditor's Report under section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Koosai Lehery
Partner
(Membership No. 112399)
UDIN: 20112399AAAAAU2326

Mumbai, May 9, 2020

Annexure A to the Independent Auditor's Report - March 31, 2020

(Referred to in our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deeds and Court orders approving schemes of arrangements/amalgamations provided to us by the Company, the title deeds of immovable properties are held in the name of the Company except for the following which are not held in the name of the Company:

Sr. No.	Total no. of cases	Type of Assets	Gross Block as at March 31, 2020	Net Block as at March 31, 2020	Remarks
1	3	Freehold land	680,450,168	680,450,168	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds.
2	3	Building	533,897,786	445,372,858	Received on merger of the erstwhile Companies. Company is in the process of transferring the title deeds

ii. The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business/activities, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and services tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Luxury tax, Value added tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and services tax, Provident fund, Employees' state insurance, Income-tax, Sales-tax, Luxury tax, Value added tax, Duty of customs, Cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Goods and services tax, Sales tax, Value added tax and Duty of customs which have not been deposited on account of any dispute. The following disputed dues in respect of Income-tax, Luxury tax and Service tax have not been deposited by the Company with the appropriate authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount* (₹ in lakhs)
Income Tax Act, 1961	Income tax, Interest and Penalty	High Court	AY 1999 to 2011	31,251
Income Tax Act, 1961	Income tax, Interest and Penalty	ITAT	AY 2010 AY 2012 to 2016	42,212
Income Tax Act, 1961	Income tax, Interest and Penalty	Commissioner of Income Tax- Appeals	AY 2017	9,929
Finance Act, 1994	Service Tax, Interest and Penalty	Supreme Court	FY 2005 to 2008	287
		Appellate Authorities	FY 2007 to 2016	3,926
Tamil Nadu Luxury Tax Act	Luxury Tax	Deputy Commissioner	FY 2003 to 2006	64
		Commissioner-Appeals	FY 2011 to 2012	17
Kerala Luxury Tax Act	Luxury Tax	Intelligence officer-Debikulam	FY 2009 to 2011	659
		Appeallate Commissioner	FY 2010 to 2016	3,088
		High Court	FY 2012 to 2015	1,706
Uttarakhand Luxury Tax Act	Luxury Tax	Appeallate Commissioner	FY 2013	34
Maharashtra Luxury Tax Act	Luxury Tax	Commissioner of Commercial taxes	FY 2013 to 2014	42
Rajasthan Luxury Tax Act	Luxury Tax	High Court	FY 2011 to 2017	1,763
Rajasthan Value Added Tax Act	Value Added Tax	High Court	FY 2015 to 2017	15
Kerala Value Added Tax Act	Value Added Tax	Assistant Commissioner	FY 2013 to 2014	23

* net of amounts paid under protest.

viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowing from financial institutions or government or debenture holders during the year.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Koosai Lehery
Partner
(Membership No. 112399)
UDIN: 20112399AAAAAU2326

Mumbai, May 9, 2020

Annexure B to the Independent Auditor's report on the standalone financial statement of Mahindra Holidays & Resorts India Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holidays & Resorts India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Koosai Lehery
Partner
(Membership No. 112399)
UDIN: 20112399AAAAAU2326

Mumbai, May 9, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**183,451.81**	179,322.41
Right of Use Asset	5	**17,426.53**	-
Capital work-in-progress		**23,606.27**	21,818.13
Other intangible assets	6	**394.95**	605.65
Intangible assets under development		**725.21**	400.11
Financial Assets			
Investments			
Investments in subsidiaries	7	**9,532.75**	9,532.75
Other Investments	7	**388.96**	383.23
Trade receivables	8	**49,438.05**	56,142.51
Loans	9	**4,415.41**	4,663.84
Other financial assets	10	**9,089.73**	1,383.98
Deferred Tax Assets (Net)	11	**47,237.69**	64,956.64
Other non-current tax assets (Net)	12	**18,227.70**	16,705.65
Deferred Acquisition Cost	13	**66,516.39**	64,283.21
Other non-current assets	14	**3,286.19**	4,294.59
		433,737.64	424,492.70
Current assets			
Inventories	15	**472.29**	562.73
Financial Assets			
Investments	16	**39,294.82**	31,183.08
Trade receivables	17	**118,750.18**	105,948.77
Cash and cash equivalents	18	**1,463.48**	2,625.22
Other bank balances	19	**19,168.12**	98.68
Loans	20	**4,478.67**	3,539.22
Other financial assets	21	**14,400.57**	27,514.03
Deferred Acquisition Cost	22	**4,831.47**	4,559.42
Other current assets	23	**5,334.38**	4,434.29
		208,193.98	180,465.44
		641,931.62	604,958.14
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	**13,292.38**	13,289.98
Other equity	25		
Reserves & Surplus		**70,983.97**	63,770.62
Revaluation Reserve		**73,759.44**	73,759.44
Other Comprehensive Income		**(147.89)**	(93.28)
Transition Difference		**(140,272.59)**	(121,044.68)
		4,322.93	16,392.10
		17,615.31	29,682.08
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings- Lease liabilities	26	**13,545.23**	-
Other financial liabilities	27	**547.68**	694.24
Provisions	28	**694.07**	578.68
Deferred Tax Liabilities	11	**22,401.70**	22,401.70
Other non-current liabilities			
Contract Liability-Deferred Revenue	29	**499,640.79**	476,633.26
		536,829.47	500,307.88
Current liabilities			
Financial Liabilities			
Trade payables	30		
Total outstanding dues of micro enterprises and small enterprises; and		**124.92**	61.11
Total outstanding dues of creditors other than micro enterprises and small enterprises		**17,669.57**	16,328.31
Lease Liabilities	31	**5,180.94**	-
Other financial liabilities	32	**9,276.46**	8,250.98
Provisions	33	**606.90**	549.41
Other current liabilities			
Contract Liability-Deferred Revenue	34	**52,232.87**	47,298.51
Others	35	**2,395.18**	2,479.86
		87,486.84	74,968.18
		641,931.62	604,958.14

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue			
Revenue from operations	36	**97,700.53**	91,829.15
Other income	37	**6,011.25**	4,514.70
Total Revenue		**103,711.78**	96,343.85
Expenses			
Employee benefits expense	38	**27,268.65**	24,849.96
Finance costs	39	**1,599.31**	2.19
Depreciation and amortisation expense	4, 5 & 6	**10,166.79**	5,140.50
Other expenses	40	**52,282.29**	56,333.96
Total Expenses		**91,317.04**	86,326.61
Profit before tax		**12,394.74**	10,017.24
Tax expense excluding impact of change in tax rate			
Current tax	41	**2,520.37**	2,201.66
Deferred tax	41	**722.88**	1,429.35
		3,243.25	3,631.01
Profit after tax for the year excluding impact of change in tax rate		**9,151.49**	6,386.23
One time impact on Tax expense (Current and Deferred) due to change in tax rate	41	**19,972.94**	-
Profit / (Loss) after tax for the year		**(10,821.45)**	6,386.23
Other comprehensive income			
Items that will not be reclassified subsequently to profit or (loss)			
Remeasurements of the defined benefit asset		**(72.98)**	(13.34)
Freehold land revaluation		**-**	96,339.40
Income taxes related to items that will not be reclassified to profit or (loss)		**18.37**	(22,404.86)
Net other comprehensive income not to be reclassified subsequently to profit or (loss)		**(54.61)**	73,921.20
Total comprehensive income for the year		**(10,876.06)**	80,307.43
Earnings per equity share :			
(face value of ₹ 10 per share)			
Basic ₹ per share	42	**(8.14)**	4.81
Diluted ₹ per share	42	**(8.14)**	4.80

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Statement of Changes in Equity

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Share Capital	Other Equity									
		Reserves & Surplus						Revaluation Reserve	Other Comprehensive Income Actuarial Gain / (Loss)	Transition Difference	Total
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings				
Balance at the beginning of the reporting year - April 1, 2019	**13,289.98**	**44.75**	**10,312.39**	**10,381.68**	**1,265.90**	**145.80**	**41,620.10**	**73,759.44**	**(93.28)**	**(121,044.68)**	**29,682.08**
Profit for the year	-	-	-	-	-	-	9,151.49	-	-	-	9,151.49
Effect of change in tax rate	-	-	-	-	-	-	(2,197.00)	-	-	(17,775.94)	(19,972.94)
Effect of change in tax rate on Ind AS 116 impact	-	-	-	-	-	-	-	-	-	218.18	218.18
Additions during the year	-	-	-	-	209.58	-	-	-	-	-	209.58
Issue of shares by ESOP Trust	2.40	-	49.28	-	-	-	-	-	-	-	51.68
Impact on account of transition to Ind AS 116 (refer note no 3(A))	-	-	-	-	-	-	-	-	-	(1,670.15)	(1,670.15)
OCI component of actuarial gains/ (losses) (Net of taxes)	-	-	-	-	-	-	-	-	(54.61)	-	(54.61)
Balance at the end of the reporting year - March 31, 2020	**13,292.38**	**44.75**	**10,361.67**	**10,381.68**	**1,475.48**	**145.80**	**48,574.59**	**73,759.44**	**(147.89)**	**(140,272.59)**	**17,615.31**

Particulars	Share Capital	Other Equity									
		Reserves & Surplus						Revaluation Reserve	Other Comprehensive Income Actuarial Gain / (Loss)	Transition Difference	Total
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings				
Balance at the beginning of the reporting year - April 1, 2018	**13,275.95**	**44.75**	**10,067.68**	**10,381.68**	**1,117.45**	**145.80**	**41,495.85**	**-**	**(84.60)**	**-**	**76,444.56**
Profit for the year	-	-	-	-	-	-	6,386.23	-	-	-	6,386.23
Additions during the year	-	-	-	-	148.45	-	-	-	-	-	148.45
Fresh Issue of shares	11.00	-	182.60	-	-	-	-	-	-	-	193.60
Issue of shares by ESOP Trust	3.03	-	62.11	-	-	-	-	-	-	-	65.14
Revaluation of Freehold Land (refer note no 3(B))(Net of Taxes)	-	-	-	-	-	-	-	73,937.70	-	-	73,937.70
Sale of Land	-	-	-	-	-	-	178.26	(178.26)	-	-	-
Impact on account of transition to Ind AS 115 (refer note no 3(C))	-	-	-	-	-	-	-	-	-	(121,044.68)	(121,044.68)
OCI component of actuarial gains/ (losses) (Net of taxes)	-	-	-	-	-	-	-	-	(8.68)	-	(8.68)
Dividends (Including Dividend Distribution Tax)	-	-	-	-	-	-	(6,440.24)	-	-	-	(6,440.24)
Balance at the end of the reporting year - March 31, 2019	**13,289.98**	**44.75**	**10,312.39**	**10,381.68**	**1,265.90**	**145.80**	**41,620.10**	**73,759.44**	**(93.28)**	**(121,044.68)**	**29,682.08**

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit before tax for the year	**12,394.74**	10,017.24
	Adjustments for:		
	Finance costs	**1,599.31**	2.19
	Interest income	**(3,042.91)**	(1,430.59)
	Dividend income	**-**	(31.84)
	Depreciation and amortisation of non-current assets	**10,166.79**	5,140.50
	Net Loss on disposal of property, plant and equipment	**108.80**	167.15
	Gain due to change in lease arrangements	**(43.27)**	-
	Net foreign exchange (gain)/loss	**(94.06)**	32.49
	Net Gain on sale of investment	**(239.05)**	(735.51)
	Net Gain on Investments carried at FVTPL	**(2,398.42)**	(2,006.90)
	Equity-settled share-based payments	**209.58**	148.45
		6,266.77	1,285.94
	Operating profit before working capital changes	**18,661.51**	11,303.18
	Movements in working capital:		
	(Increase) / Decrease in trade and other receivables	**(9,582.97)**	5,051.46
	Decrease in inventories	**90.44**	70.76
	Increase in trade payables	**1,400.79**	762.58
	Increase in provisions	**99.90**	65.26
	Increase in contract liability-deferred revenue	**27,941.89**	18,589.60
	Increase in other liabilities	**709.50**	1,367.89
		20,659.55	25,907.55
	Cash generated from operations	**39,321.06**	37,210.73
	Income taxes paid	**(6,221.05)**	(7,160.65)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**33,100.01**	30,050.08
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**2,336.29**	193.48
	Dividend income	**-**	31.84
	ICD given to related parties	**(1,040.00)**	(1,600.00)
	ICD repayments by related parties	**190.26**	348.55
	Placement of fixed deposits and other deposits	**(38,809.45)**	(25,150.00)
	Proceeds from maturity of fixed deposits and other deposits	**26,040.00**	1,250.00
	Payments for property, plant and equipment and intangibles	**(10,998.66)**	(15,033.29)
	Proceeds from disposal of property, plant and equipment	**8.03**	331.99
	Proceeds from disposal of investment	**45,700.00**	63,224.89
	Purchase of investment	**(51,180.00)**	(47,164.96)
	NET CASH USED IN INVESTING ACTIVITIES	**(27,753.53)**	(23,567.50)

All amounts are in ₹ lakhs unless otherwise stated

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of equity share capital	**-**	193.60
	Proceeds from borrowings	**1,527.98**	3,813.94
	Repayment of borrowings	**(1,527.98)**	(3,813.94)
	Payment of lease liabilities	**(4,908.91)**	-
	Dividends paid to owners of the Company (Including dividend distribution tax)	**-**	(6,437.20)
	Interest paid on borrowings	**(1.22)**	(2.19)
	Interest paid on lease liabilities	**(1,598.09)**	-
	NET CASH USED IN FINANCING ACTIVITIES	**(6,508.22)**	(6,245.79)
	NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(1,161.74)**	236.79
	Cash and cash equivalents at the beginning of the year	**2,625.22**	2,388.43
	Cash and cash equivalents at the end of the year (Refer note no 18)	**1,463.48**	2,625.22

See accompanying notes to the financial statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

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(a) Significant accounting policies

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

a. Revenue from sale of Vacation Ownership

The Company's business is to sell vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Revenue from Membership fees

The Company recognises the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Company will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred revenue - vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value.

Discounts and other incentives provided to the customer's are reduced from the overall contract value. Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

Revenue from Annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other liabilities - Deferred revenue – Annual subscription fee.

Interest income on deferred payment plans

Interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no xv)

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue with respect to instalments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainty in collection has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Leases

The Company has adopted Ind AS 116, Leases (which replaces earlier standard Ind AS 17) using the modified retrospective method, the effect of which is recognised at the date of initial application (i.e. April 1, 2019) and has been reported under transition difference in Other Equity.

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the present value of future lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the period of lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of these leases.

In the previous year under Ind AS 17 - Rental expense pertaining to properties taken on operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(v) Foreign currencies

The financial statements of the Company are presented in Indian Rupees (₹), which is the Company's functional currency. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Under previous GAAP, paragraph 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provided an accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences in respect of items other than those related to acquisition of depreciable assets, could be accumulated in a foreign currency monetary item translation difference account ('FCMITDR'), and amortised over the balance period of such long term monetary item. Ind AS provides an option to Company to continue the above accounting treatment in respect of long term foreign currency items recognised in the financial statements for the period ending immediately before the beginning of the first Ind As reporting period. The Company has elected this option.

(vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

(vii) Employee benefits

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

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

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 by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments; settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the Company in respect of services provided by employees upto the reporting date.

(viii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to Share options outstanding account in Reserves & Surplus.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(ix) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. In the previous year, Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(x) Property, plant and equipment (PPE)

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at Fair value based on valuations by external independent valuers at sufficient regularity.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	30 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 15 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years
Vehicles (other than those mentioned below)	8 years

Category of Asset	Estimated useful lives
Motor vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(xi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. .

Category of Asset	Estimated useful lives
Computer Software and website development cost	3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

(xii) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss.

(xiii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xiv) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xv) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

  (i) to receive cash or another financial asset from another entity; or

  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company.

(d) a contract that will or may be settled in the Company's own equity instruments and is:

  (i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or

  (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at "fair value through profit or loss (FVTPL)" on initial recognition):

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(xvii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

  (i) to deliver cash or another financial asset to another entity; or

  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been incurred principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains are determined based on the amortised cost of the instruments and are recognized in "Other income" and losses are recognised in "Finance Cost" to the extent it is related to borrowings.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in statement of profit and loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(xviii) Cash flow statements

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.

Cash flows from operating activities are reported using the indirect method, whereby profit before 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.

(xix) Earnings per share

Basic earnings per share is computed by dividing the profit after tax 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 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. 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.

(xx) 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.

(xxi) Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization 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.

2(b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. **Share based payments**

The entity initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed in Note 24.

b. **Defined benefit plans (gratuity)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed in Note 44.

c. **Intangible assets under development**

The Company capitalizes intangibles under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. **Life time Expected credit losses**

Life time expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward-looking information on collection.

e. **Estimation towards revenue deferred due to uncertainty of collection**

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

f. **Significant financing component**

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

g. **Customer unexercised rights**

The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer.

h. **Litigation for taxation matters**

The company is subject to tax litigation, the outcome of which is subject to many uncertainties inherent in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

i. **Fair valuation of Freehold land**

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient regularity.

j. **Leases**

The Company makes an assessment on the expected lease term on a lease-by lease basis as per the contract period. Further, discount rate is based on the incremental borrowing rate of the company at the time of commencement of lease.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3 Changes in significant accounting policies

A) Leases

This is the first set of the Company's annual financial statements in which Ind AS 116 Leases has been applied. Changes to significant accounting policies are described below:

The Company has applied the modified retrospective approach as per para C5(b) of Ind AS 116 to existing Leases as on April 1, 2019 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2019 in accordance with para C7 of Ind AS 116 as an adjustment to the Transition Difference under other equity. This has resulted in recognising a right-of-use asset of ₹ 19,736.60 lakhs and a corresponding lease liability of ₹ 21,183.10 lakhs by adjusting Transition Difference (other equity) net of taxes of ₹ 1,670.15 lakhs as at April 1, 2019 (This is further adjusted for the effect of change in tax rate) b) Due to the application of Ind AS 116 a lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to these leases has changed as Ind AS 116 replaced the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

The following tables summarise the impact of adopting Ind AS 116 on the statement of profit and loss for the year ended March 31, 2020:

All amounts are in ₹ lakhs unless otherwise stated

Sl. No.	Particulars	Year ended March 31, 2020			Year ended March 31, 2019
		As reported	Impact of Ind AS 116	Amount without adoption of Ind AS 116	Amount without adoption of Ind AS 116
1.	**Profit prior to Rent, Finance cost, Depreciation and amortisation expense and taxes**	**30,911.60**	**(13.48)**	**30,898.12**	28,177.10
2.	Less : Rent	**(6,750.76)**	**(6,429.99)**	**(13,180.75)**	(13,017.17)
3.	**Profit prior to Finance cost, Depreciation and amortisation expense and taxes**	**24,160.84**	**(6,443.47)**	**17,717.37**	15,159.93
4.	Less: Finance cost	**(1,599.31)**	**1,598.09**	**(1.22)**	(2.19)
5.	Less: Depreciation and amortisation expense	**(10,166.79)**	**5,116.53**	**(5,050.26)**	(5,140.50)
6.	**Profit before tax (3-4-5)**	**12,394.74**	**271.15**	**12,665.89**	10,017.24

B) Revaluation of freehold land (Change in previous year)

As at September 30, 2018, the Company has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. Any revaluation surplus is recorded in OCI and credited to Revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders.

Particulars	(₹ in lakhs)
Revaluation surplus as at March 31, 2019	96,161.14
Deferred tax on the above revaluation	(22,401.70)
As at March 31, 2019	**73,759.44**

The carrying amount of freehold land as at March 31, 2019 under cost and revaluation model are given below:

Block of asset	Revaluation Model (₹ in lakhs)	Cost Model (₹ in lakhs)
Freehold Land	112,875.64	16,714.49

C) Adoption of Ind AS 115 - Revenue from Contracts with Customers (Change in previous year)

The Company had applied Ind AS 115 Revenue from Contracts with Customers. Changes to significant accounting policies are described below:

The Company has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2018 and the cumulative effect of applying this standard was recognised at the date of initial application i.e. April 1, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the other equity. The transitional adjustment of ₹ 121,044.68 lakhs (net of deferred tax) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115. b) Due to the application of Ind AS 115, membership fees and incremental cost to obtain and/or fulfill a contract with a customer, as applicable, is recognised over the effective membership period. The previous standard permitted the upfront recognition of the non refundable admission fees on sale of membership.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 4 - Property Plant and Equipment

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2019	112,875.63	64,862.54	156.09	22,669.44	2,262.66	15,348.11	1,246.80	219,421.27
Additions	27.34	5,397.53	-	2,377.50	143.96	853.44	63.63	8,863.40
Disposals	-	(14.94)	-	(238.99)	(26.22)	(52.72)	(45.15)	(378.02)
Others (reclassification)	-	-	-	(0.78)	0.78	-	-	-
Balance as at March 31, 2020	**112,902.97**	**70,245.13**	**156.09**	**24,807.17**	**2,381.18**	**16,148.83**	**1,265.28**	**227,906.65**
II. Accumulated depreciation								
Balance as at April 1, 2019	-	10,244.99	156.09	14,531.25	1,998.71	12,479.21	688.61	40,098.86
Depreciation for the year	-	1,246.18	-	2,129.03	133.86	971.38	136.76	4,617.21
Eliminated on disposal of assets	-	(4.57)	-	(155.62)	(22.40)	(46.25)	(32.39)	(261.23)
Others (reclassification)	-	-	-	(0.75)	0.75	-	-	-
Balance as at March 31, 2020	**-**	**11,486.60**	**156.09**	**16,503.91**	**2,110.92**	**13,404.34**	**792.98**	**44,454.84**
Net block (I-II)								
Balance as at March 31, 2020	**112,902.97**	**58,758.53**	**-**	**8,303.26**	**270.26**	**2,744.49**	**472.30**	**183,451.81**
Balance as at March 31, 2019	112,875.63	54,617.55	-	8,138.19	263.95	2,868.90	558.19	179,322.41

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2018	16,657.33	64,236.46	156.09	22,532.85	2,411.22	15,300.01	1,202.56	122,496.52
Additions	198.90	680.83	-	1,722.67	138.47	283.10	133.54	3,157.51
Revaluation (refer note 3 (B))	96,161.14	-	-	-	-	-	-	96,161.14
Disposals	(141.74)	(54.75)	-	(1,586.74)	(285.57)	(235.55)	(89.56)	(2,393.91)
Others (reclassification)	-	-	-	0.66	(1.46)	0.55	0.26	-
Balance as at March 31, 2019	112,875.63	64,862.54	156.09	22,669.44	2,262.66	15,348.11	1,246.80	219,421.26
II. Accumulated depreciation								
Balance as at April 1, 2018	-	9,033.16	156.09	14,004.16	2,146.02	11,681.22	624.28	37,644.93
Depreciation for the year	-	1,222.59	-	2,009.53	139.01	1,015.42	140.41	4,526.96
Eliminated on disposal of assets	-	(10.76)	-	(1,484.04)	(284.42)	(217.53)	(76.28)	(2,073.03)
Others (reclassification)	-	-	-	1.60	(1.90)	0.10	0.20	-
Balance as at March 31, 2019	-	10,244.99	156.09	14,531.25	1,998.71	12,479.21	688.61	40,098.86
Net block (I-II)								
Balance as at March 31, 2019	112,875.63	54,617.55	-	8,138.19	263.95	2,868.90	558.19	179,322.41
Balance as at March 31, 2018	16,657.33	55,203.30	-	8,528.69	265.20	3,618.79	578.28	84,851.59

Note No. 5 - Right of Use Asset

Description of Assets	Right of Use Asset
I. Gross Block	
Balance as at April 1, 2019 (On Transition to Ind AS 116)*	19,736.60
Additions	3,259.91
Deletions	(453.46)
Balance as at March 31, 2020	**22,543.05**
II. Accumulated depreciation	
Amortisation expense for the year	5,116.52
Balance as at March 31, 2020	5,116.52
Net block (I-II)	
Balance as at March 31, 2020 (refer note 3(A) and 53)	**17,426.53**
Balance as at March 31, 2019	-

* Pertains to lease of resorts and office properties

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 6 - Other Intangible Assets

Description of Assets	Computer Software & Website development cost
I. Gross Block	
Balance as at April 1, 2019	7,243.90
Additions	222.36
Balance as at March 31, 2020	**7,466.26**
II. Accumulated depreciation	
Balance as at April 1, 2019	6,638.25
Amortisation expense for the year	433.06
Balance as at March 31, 2020	**7,071.31**
Net block (I-II)	
Balance as at March 31, 2020	**394.95**
Balance as at March 31, 2019	605.65

Description of Assets	Computer Software & Website development cost
I. Gross Block	
Balance as at April 1, 2018	7,005.97
Additions	237.93
Balance as at March 31, 2019	7,243.90
II. Accumulated depreciation	
Balance as at April 1, 2018	6,024.71
Amortisation expense for the year	613.54
Balance as at March 31, 2019	6,638.25
Net block (I-II)	
Balance as at March 31, 2019	605.65
Balance as at March 31, 2018	981.26

Note No. 7 - Non-Current Investments

Particulars	Face value	Currency	As at March 31, 2020		As at March 31, 2019	
			Quantity	Amount	Quantity	Amount
Unquoted Investments at Cost (fully paid)						
In Equity Instruments of Subsidiaries						
Heritage Bird (M) Sdn. Bhd.	1	MYR	**300,002**	**40.27**	300,002	40.27
Mahindra Hotels and Residences India Ltd.	10	₹	**49,994**	**5.00**	49,994	5.00
Gables Promoters Private Limited	10	₹	**65,000,000**	**6,543.78**	65,000,000	6,543.78
MH Boutique Hospitality Limited	100	THB	**49,000**	**95.38**	49,000	95.38
Infinity Hospitality Group Company Limited	100	THB	**734,850**	**2,681.11**	734,850	2,681.11
MHR Holdings (Mauritius) Limited	1	EUR	**145,000**	**115.10**	145,000	115.10
Arabian Dreams Hotel Apartments LLC	100	AED	**147**	**52.11**	147	52.11
				9,532.75		9,532.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 7 - Non-Current Investments (Contd.)

Particulars	Face value	Currency	As at March 31, 2020		As at March 31, 2019	
			Quantity	**Amount**	Quantity	Amount
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	₹	**1**	**0.00**	1	0.00
Mahindra Hotels and Resorts Limited (cost of investment ₹ 1/-)	10	₹	**20,011**	**0.00**	20,011	0.00
Nreach Online Services Private Limited	10	₹	**5,738**	**300.00**	5,738	300.00
In Preference Instruments of other entities						
Guestline Hospitality Management and Developement Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each)	10	₹	**25,000**	**88.96**	25,000	83.23
				388.96		383.23
Aggregate book value of unquoted investments				**9,921.71**		9,915.98

Notes:

The preference shares of Guestline Hospitality Management and Developement Services Limited can 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. January 14, 2003 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.

Note No. 8 - Non-Current Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	**49,438.05**	56,142.51
	49,438.05	56,142.51

Note No. 9 - Non-Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	**4,408.01**	4,656.44
Loans to related parties (refer note no 51)	**7.40**	7.40
	4,415.41	4,663.84

Note No. 10 - Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost		
Guarantee commission receivable from related parties (refer note no 51)	**1,589.73**	1,357.39
Bank deposit with more than 12 months maturity	**-**	26.59
Other Deposits *	**7,500.00**	-
	9,089.73	1,383.98

* It consists of ₹ 6,500 lakhs deposit with related party

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 11 (a) - Deferred Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment (excluding land)	**6,183.88**	8,150.34
Deferred Acquisition Cost	**17,956.83**	24,698.64
Fair valuation of financial assets	**1,426.82**	1,142.94
Tax effect of items constituting deferred tax assets		
Employee Benefits	**308.00**	360.05
Deferred Revenue	**71,164.05**	94,651.83
Receivables / Revenue derecognition	**645.20**	895.81
Lease Arrangements	**633.34**	-
Income tax loss	**-**	760.95
MAT Credit Entitlement	**-**	2,197.00
Provisions	**41.78**	58.01
Fair valuation of financial assets	**12.85**	24.91
Net Deferred Tax Asset	**47,237.69**	64,956.64

Note No. 11 (b) - Deferred Tax Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Fair valuation of Land	**22,401.70**	22,401.70
	22,401.70	22,401.70

Note No. 12 - Other Non-Current Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income tax (Net of provisions up to the reporting date)	**18,227.70**	16,705.65
	18,227.70	16,705.65

Note No. 13 - Deferred Acquisition Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Acquisition Cost (refer note 2(a)(iii))	**66,516.39**	64,283.21
	66,516.39	64,283.21

Note No. 14 - Other Non-Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	**2,885.14**	3,290.07
Prepayments	**137.12**	389.04
Duty paid under protests	**263.93**	615.48
	3,286.19	4,294.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 15 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2020	As at March 31, 2019
Food and beverages	**111.82**	90.06
Operating supplies	**360.47**	472.67
	472.29	562.73
Cost of food and beverages recognised as an expense during the year (Refer Note 40)	**3,531.43**	3,298.04

Note No. 16 - Current Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
HDFC Banking and PSU Debt Fund Direct Growth	**8,368,759**	**1,408.09**	8,368,759	1,275.17
HDFC Banking and PSU Debt Fund Regular Growth	**8,407,362**	**1,388.99**	8,407,363	1,263.58
IDFC Corporate Bond Fund Regular Plan Growth	**14,043,341**	**1,935.35**	14,043,341	1,788.04
IDFC Corporate Bond Fund Direct Plan Growth	**34,982,465**	**4,884.46**	34,982,465	4,498.88
Birla Sun Life Floating Rate Fund-Long Term Plan Growth	**966,662**	**2,399.08**	966,662	2,220.75
Birla Sun Life Floating Rate Fund-Long Term Plan Growth Direct	**948,356**	**2,392.66**	948,356	2,209.94
HDFC Floating Rate Income Fund Short Term Plan Wholesale Growth	**6,936,919**	**2,435.73**	6,936,919	2,254.71
HDFC Floating Rate Income Fund Short Term Plan Wholesale Direct Plan Growth	**6,696,488**	**2,369.38**	6,696,488	2,189.99
ICICI Prudential Flexible Income Growth	**269,270**	**1,043.02**	269,270	965.95
ICICI Prudential Flexible Income Direct Plan Growth	**609,780**	**2,380.40**	609,780	2,202.34
Mahindra Liquid Fund - Dir - Growth	**505,763**	**6,517.67**	146,170	1,770.73
Kotak Liquid Direct Plan Growth	**108,150**	**4,848.40**	108,151	4,092.77
Kotak Treasury Advantage Fund Regular Plan Growth	**7,506,213**	**2,409.01**	7,506,214	2,249.73
Kotak Treasury Advantage Fund Regular Direct Plan Growth	**7,202,341**	**2,366.24**	7,202,341	2,200.50
Mahindra Ultra Short Term Yojana – Direct Growth	**50,000**	**516.34**	-	-
Aggregate book value of unquoted investments	**97,601,870**	**39,294.82**	97,192,279	31,183.08

Note No. 17 - Current Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	**118,750.18**	105,948.77
Unsecured, credit impaired	**113.97**	113.97
Less: Impairment loss allowance	**(113.97)**	(113.97)
	118,750.18	105,948.77

Note No. 18 - Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks	**1,423.60**	2,519.90
Cash on hand	**39.88**	105.32
	1,463.48	2,625.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 19 - Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks (Unpaid Dividend)	**8.30**	9.88
Bank Deposits with maturity greater than three months and less than twelve months	**19,159.82**	88.80
	19,168.12	98.68

Note No. 20 - Loans (Unsecured, Considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to related parties (refer note no 51)	**4,453.54**	3,515.82
Loans and advances to employees	**25.13**	23.40
	4,478.67	3,539.22

Note No. 21 - Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost		
Other receivables from related parties (refer note no 51)	**3.41**	28.67
Interest accrued but not due	**1,507.16**	1,585.36
Other Deposits*	**12,890.00**	25,900.00
	14,400.57	27,514.03

*It consists of ₹ 1,590 lakhs deposit with related party

Note No. 22 - Deferred Acquisition Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Acquisition Cost (refer note 2(a)(iii))	**4,831.47**	4,559.42
	4,831.47	4,559.42

Note No. 23 - Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
With Government authorities (excluding income taxes)	**3,869.54**	2,781.72
Prepayments	**357.07**	874.34
Advance to suppliers:		
Considered good *	**1,107.77**	778.23
Considered doubtful *	**250.00**	250.00
Less: Provision for doubtful advances	**(250.00)**	(250.00)
	5,334.38	4,434.29

* Both include advances given to related parties - ₹ 250 lakhs

All amounts are in ₹ lakhs unless otherwise stated

Note No. 24 - Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**150,000,000**	**15,000.00**	150,000,000	15,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**133,553,784**	**13,355.38**	133,553,784	13,355.38
Treasury Shares (par value)	**(630,040)**	**(63.00)**	(654,040)	(65.40)
	132,923,744	**13,292.38**	132,899,744	13,289.98

Treasury shares represents equity shares of ₹ 10/- each fully paid up, allotted to Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

24 a) Terms / rights attached to equity shares:

i) 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.

ii) Repayment of capital will be in proportion to the number of equity shares held.

iii) The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

iv) With the adoption of new revenue recognition policy in accordance with Ind AS 115 in the previous year, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company has sought clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA.

24 b) Shares in the Company held by Holding Company

Name of shareholder	No. of Shares	% held as at March 31, 2020	No. of Shares	% held as at March 31, 2019
Mahindra & Mahindra Limited (Holding Company)	**89,890,615**	**67.31%**	89,890,615	67.31%

24 c) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	No. of Shares	% held as at March 31, 2020	No. of Shares	% held as at March 31, 2019
Mahindra & Mahindra Limited	**89,890,615**	**67.31%**	89,890,615	67.31%
HDFC Trustee Company Limited	**11,461,397**	**8.58%**	11,045,929	8.27%

24 d) The reconciliation of the number of shares outstanding as at March 31, 2020 and March 31, 2019 is set out below:-

Particulars	As at March 31, 2020		As at March 31, 2020	
	No. of Shares	In ₹ lakhs	No. of Shares	In ₹ lakhs
Number of shares at the beginning	**132,899,744**	**13,289.98**	132,759,494	13,275.95
Add: Shares issued on exercise of employee stock options	**24,000**	**2.40**	140,250	14.03
Number of shares at the end	**132,923,744**	**13,292.38**	132,899,744	13,289.98

The Board of Directors at its meeting held on May 19, 2017 had approved issue of bonus shares in the proportion of 1:2, i.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares which was allotted on July 12, 2017 on approval being received in the shareholder's meeting.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 24 - Equity Share Capital (Contd.)

24 e) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

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

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

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006)	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006)	21/02/2012	323.00	215.33	215.33	4	186,500			
Grant VIII (ESOS 2006)	31/01/2013	323.00	215.33	215.33	4	130,000			
Grant IX (ESOS 2006)	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	176.00	176.00	4	620,000			refer note (b) below
Grant II (ESOS 2014)	27/10/2015	365.00	243.33	243.33	4	110,000			
Grant III (ESOS 2014)	18/02/2016	370.00	246.67	246.67	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	270.67	270.67	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	N.A.	410.00	4	60,000			
Grant VI (ESOS 2014)	15/05/2019	234.00	N.A.	234.00	4	145,000			
Grant VII (ESOS 2014)	31/07/2019	226.00	N.A.	226.00	4	45,000			
Grant VIII (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	60,000			
Grant IX (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	300,000			
Grant X (ESOS 2014)	01/02/2020	238.00	N.A.	238.00	4	300,000			

Notes:

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

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

All amounts are in ₹ lakhs unless otherwise stated

Note No. 24 - Equity Share Capital (Contd.)

iv) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on April 1, 2019	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on March 31, 2020	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006	Closed							
Grant II (ESOS 2006)	30/03/2007	Closed							
Grant III (ESOS 2006)	11/01/2007	Closed							
Grant V (ESOS 2006)	11/01/2008	Closed							
Grant VI (ESOS 2006)	21/02/2012	Closed							
Grant VII (ESOS 2006)	21/02/2012	20,624	-	-	-	-	-	20,624	20,624
Grant VIII (ESOS 2006)	31/01/2013	132,750	-	-	-	24,000	-	108,750	108,750
Grant IX (ESOS 2006)	29/01/2014	Closed							
Grant I (ESOS 2014)	22/01/2015	600,000	-	-	-	-	-	600,000	600,000
Grant II (ESOS 2014)	27/10/2015	165,000	-	-	30,000	-	45,000	120,000	120,000
Grant III (ESOS 2014)	18/02/2016	150,000	-	-	75,000	-	-	150,000	150,000
Grant IV (ESOS 2014)	31/01/2017	60,000	-	-	15,000	-	-	60,000	45,000
Grant V (ESOS 2014)	02/08/2017	60,000	-	-	15,000	-	30,000	30,000	15,000
Grant VI (ESOS 2014)	15/05/2019	-	145,000	-	-	-	-	145,000	-
Grant VII (ESOS 2014)	31/07/2019	-	45,000	-	-	-	45,000	-	-
Grant VIII (ESOS 2014)	04/11/2019	-	60,000	-	-	-	-	60,000	-
Grant IX (ESOS 2014)	04/11/2019	-	300,000	-	-	-	-	300,000	-
Grant X (ESOS 2014)	01/02/2020	-	300,000	-	-	-	-	300,000	-
Total		**1,188,374**	**850,000**	**-**	**135,000**	**24,000**	**120,000**	**1,894,374**	**1,059,374**

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. February 21, 2012 is ₹ 129.93 for Grant VII (ESOS 2006), January 31, 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), January 22, 2015 is ₹ 97.24 for Grant I (ESOS 2014), October 27, 2015 is ₹ 158.85 for Grant II (ESOS 2014), February 18, 2016 is ₹ 126.91 for Grant III (ESOS 2014), January 31, 2017 is ₹ 150.35 for Grant IV (ESOS 2014), August 2, 2017 is ₹ 161.83 for Grant V (ESOS 2014), May 15, 2019 is ₹ 82.36 for Grant VI (ESOS 2014), July 31, 2019 is ₹ 84.92 for Grant VII (ESOS 2014), November 4, 2019 is ₹ 85.97 for Grant VIII (ESOS 2014), November 4, 2019 is ₹ 85.97 for Grant IX (ESOS 2014) and February 1, 2020 is ₹ 85.97 for Grant X (ESOS 2014).

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

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	₹ 4.00
Grant VIII (ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I (ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%
Grant VI (ESOS 2014)	15/05/2019	6.83%	3.00	38%	0.00%
Grant VII (ESOS 2014)	31/07/2019	6.05%	3.00	38%	0.00%
Grant VIII (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0.00%
Grant IX (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0.00%
Grant X (ESOS 2014)	01/02/2020	5.74%	3.00	38%	0.00%

The weighted average share price at the date of exercise for options was ₹ 237.69 per share (March 31, 2019 ₹ 320.09 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 5.94 years (March 31, 2019 2.84 years)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 25 - Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	**10,381.68**	10,381.68
Securities premium	**10,361.67**	10,312.39
Share options outstanding account	**1,475.48**	1,265.90
Retained earnings	**48,574.59**	41,620.10
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
Reserves & Surplus	**70,983.97**	63,770.62
Revaluation Reserve	**73,759.44**	73,759.44
Other Comprehensive Income-Actuarial Loss	**(147.89)**	(93.28)
Transition Difference	**(140,272.59)**	(121,044.68)
	4,322.93	16,392.10

Notes :

a) **General reserve:** The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium :** Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses etc.

c) **Share Option Outstanding Account:** The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital Redemption Reserve:** The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

f) **Revaluation Reserve:** The revaluation reserve is credited on account of revaluation of freehold land. It is not available for distribution as dividend.

g) **Transition Difference:** The Cumulative effect of applying Ind AS 115 Revenue from Contract with Customers, Ind AS 116 Leases and change in income tax rate resulting in re-measurement of accumulated deferred tax balances on the effect of applying Ind AS 115 and Ind AS 116 is recognised as an adjustment to other equity, by separately disclosing it in Transition Difference. Subsequent impact of unwinding of transition adjustments of Ind AS 115 and Ind AS 116 is included in retained earnings.

Note No. 26 - Borrowings- Lease Liabilities (At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities	**13,545.23**	-
	13,545.23	-

Note No. 27 - Other Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Retention Money	**547.68**	694.24
	547.68	694.24

Note No. 28 - Non-Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits - Compensated absences	**694.07**	578.68
	694.07	578.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 29 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability - Deferred Revenue - Vacation ownership	**499,640.79**	476,633.26
	499,640.79	476,633.26

Note No. 30 - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 49)	**124.92**	61.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	**17,669.57**	16,328.31
	17,794.49	16,389.42

Micro and small enterprises have been identified by the Company on the basis of the information available with the Company.

Note No. 31 - Lease Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	**5,180.94**	-
	5,180.94	-

Note No. 32 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Creditors for capital supplies/services	**953.73**	670.73
Guarantee liability	**143.92**	320.49
Commission payable to non-whole time directors	**129.00**	105.00
Unpaid Dividends *	**8.30**	9.88
Employee benefits payable	**4,734.48**	4,572.85
Other payables	**3,307.03**	2,572.03
	9,276.46	8,250.98

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2020

Note No. 33 - Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (refer note 44)	**77.18**	97.72
- Compensated absences	**529.72**	451.69
	606.90	549.41

Note No. 34 - Other Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability - Deferred Revenue - Vacation Ownership	**37,496.69**	34,111.51
Contract Liability - Deferred Revenue - Annual subscription fee	**14,736.18**	13,187.00
	52,232.87	47,298.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 35 - Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Taxes (excluding income taxes) and other statutory dues	**2,395.18**	2,479.86
	2,395.18	2,479.86

Note No. 36 - Revenue from Operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customers		
Vacation Ownership Income	**34,670.75**	31,546.67
Income from resorts :		
Room rentals	**4,801.89**	4,630.57
Food and beverages	**13,578.32**	12,941.55
Wine and liquor	**431.64**	444.96
Others	**4,016.09**	3,953.73
Annual subscription fee	**29,130.08**	26,139.56
	86,628.77	79,657.04
Other operating revenue		
Interest income on instalment sales	**10,098.94**	11,441.61
Miscellaneous income	**972.82**	730.50
	11,071.76	12,172.11
	97,700.53	91,829.15

Note No. 37 - Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on Financial Assets at Amortised Cost		
On deposits with bank	**860.19**	8.97
On other deposits	**1,802.33**	1,062.01
On loans/deposits with related parties (refer Note No. 51)	**321.45**	143.76
Others	**58.94**	215.85
Dividend Income		
Dividend income from current investments	**-**	31.84
Net gain arising on financial assets designated as at FVTPL	**2,637.47**	2,742.41
Gain due to change in lease arrangements	**43.27**	-
Guarantee Commission from related parties (refer Note No. 51)	**287.60**	309.86
	6,011.25	4,514.70

Note No. 38 - Employee Benefits Expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus	**23,891.03**	21,522.61
Contribution to Provident and other funds	**1,668.29**	1,577.41
Equity-settled share-based payments	**209.58**	148.45
Staff welfare expenses	**1,499.75**	1,601.49
	27,268.65	24,849.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 39 - Finance Costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Lease Liabilities	**1,598.09**	-
Interest on short-term borrowings	**1.22**	2.19
	1,599.31	2.19

Note No. 40 - Other Expenses

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Cost of food and beverages consumed				
Opening stock	**90.06**		96.43	
Add: Purchases	**3,553.19**		3,291.67	
Less: Closing stock	**111.82**		90.06	
		3,531.43		3,298.04
Operating supplies		**3,761.09**		3,616.80
Power & Fuel		**3,611.51**		3,767.16
Rent including lease rentals		**6,750.76**		13,017.17
Rates and taxes		**771.81**		661.84
Insurance		**488.53**		367.93
Repairs and maintenance				
Buildings		**1,647.90**		1,606.95
Plant & equipment		**477.42**		446.59
Others		**1,452.18**		1,649.15
Advertisement		**753.22**		652.52
Sales promotion		**14,562.65**		12,867.42
Travelling and Conveyance		**2,547.03**		2,470.69
Commission and other customer offers		**3,489.02**		3,396.76
Net loss on foreign currency transactions		**4.28**		32.49
Auditor's remuneration and out-of-pocket expenses				
For Statutory audit		**58.00**		53.00
For Other services		**44.28**		33.12
For reimbursement of expenses		**2.96**		3.27
Directors fees		**39.70**		43.50
Commission to non whole time directors		**129.00**		105.00
Legal and other professional costs		**2,538.78**		2,555.70
Communication		**1,055.91**		1,158.26
Software charges		**179.65**		149.77
Service charges		**1,324.92**		1,367.35
Bank charges		**544.37**		502.40
Corporate Social Responsibility (CSR) expenditure (refer note no 47)		**365.15**		411.60
Loss on sale of property, plant and equipment (net)		**108.80**		167.15
Miscellaneous expenses		**2,041.94**		1,932.33
		52,282.29		56,333.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 41 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
In respect of current year	**2,520.37**	2,201.66
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**722.88**	1,429.35
One time impact on Tax expense (Current & Deferred) due to change in tax rate	**19,972.94**	-
Total income tax expense on continuing operations	**23,216.19**	3,631.01

The Special Bench of the Income Tax Appellate Tribunal (ITAT) has, after considering the relevant facts pertaining to the Company, by its order dated May 26, 2010 upheld the contention of the Company that in the Company's case 60% of the membership fees should be considered chargeable to tax in the year of enrolment of a member whereas the balance 40% should be charged on pro rata basis over the period of membership. The Department's appeal against the said order is pending before Madras High Court. Consequently, the Company has continued to provide for income tax by computing income by applying the order of the ITAT.

The Company has been advised that after the introduction of Section 43CB with effect from April 1, 2017 the revenue from membership fees is chargeable as per ICDS IV. The Company is further advised that as per the said ICDS the revenue from membership fees is chargeable to tax by spreading the entire fees over the membership period. The Company has, accordingly, filed its Return of Income from Assessment Year 2017-18 as per ICDS and proposes to make a similar claim in the Return of Income for the Financial Year 2019-20. However in the books of accounts, the Company has continued to make its provision for tax on the basis of the order of the ITAT. Further on the basis that the Company will exercise the option to avail of the concessional tax rate as per Section 115BAA, the Company has estimated the current tax liability for the Financial Year 2019-20 and has accordingly, made provision for current tax at ₹ 2,520.37 lakhs. If the tax liability is computed applying ICDS IV the liability for current tax and corresponding payment for advance tax will be significantly lower. Due to the adoption of concessional tax rate, the Company has remeasured the carrying balance of MAT credit entitlement and accumulated deferred tax asset which has resulted in a one-time additional charge of ₹ 19,972.94 lakhs in standalone books of accounts for the year ended March 31, 2020.

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	**18.37**	(22,404.36)
	18.37	(22,404.36)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(18.37)**	22,404.36
	(18.37)	22,404.36

All amounts are in ₹ lakhs unless otherwise stated

Note No. 41 - Current Tax and Deferred Tax (Contd.)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	**12,394.74**	10,017.24
Income tax expense calculated at 25.168%/34.944%	**3,119.51**	3,500.42
Effect of income that is exempt from taxation	**-**	(11.13)
Effect of change in tax rate	**19,972.94**	(13.09)
Effect of expenses that is non-deductible in determining taxable profit	**123.74**	154.81
Income tax expense recognised in statement of profit and loss	**23,216.19**	3,631.01

The tax rate used for the March 31, 2020 and March 31, 2019 reconciliations above is at the corporate tax rate plus surcharges and cess (applicable rate @ 25.168% for March 31, 2020 and 34.944% for March 31, 2019) payable by company on taxable profits under Indian Income Tax Laws.

(i) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2020					
	Opening Balance	Effect of Transition to Ind AS 116	Change in Tax Rate	Other changes recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities						
Property, Plant and Equipment	(30,552.05)	-	2,280.16	(313.69)	-	(28,585.58)
Deferred Cost	(24,698.64)	-	6,909.74	(167.93)	-	(17,956.83)
Fair valuation of financial assets	(1,142.93)	-	319.75	(603.63)	-	(1,426.81)
	(56,393.62)	-	9,509.65	(1,085.25)	-	(47,969.22)
Tax effect of items constituting deferred tax assets						
Employee Benefits	360.05	-	(100.73)	48.68	-	308.00
Receivables / Revenue derecognition	895.81	-	(250.61)	-	-	645.20
Deferred Revenue	94,651.83	-	(26,479.99)	2,992.21	-	71,164.05
Income tax loss	760.95	-	(212.88)	(548.07)	-	-
MAT Credit Entitlement	2,197.00	-	-	(2,197.00)	-	-
Provisions	58.01	-	(16.23)	-	-	41.78
Fair valuation of financial assets	24.91	-	(6.97)	(5.09)	-	12.85
Leases	-	779.87	(218.18)	71.64	-	633.33
	98,948.56	779.87	(27,285.59)	362.37	-	72,805.21
Net Tax Asset / (Liabilities)	**42,554.94**	**779.87**	**(17,775.94)**	**(722.88)**	**-**	**24,835.99**

On September 20, 2019, the Government of India, vide the Taxation laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic Companies an option to pay Corporate Tax at reduced rate effective April 1, 2019 subject to certain conditions. During the current year, the Company has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2019-2020. Accordingly, the Company has recognised the provision for income tax for year ended March 31, 2020 and remeasured the accumulated deferred tax asset at March 31, 2020 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax has resulted in a one-time additional deferred tax asset remeasurement charge of ₹ 17,775.94 lakhs and current tax asset charge (MAT Credit Entitlement) of ₹ 2,197 lakhs in the books of accounts totalling the one time impact as ₹ 19,972.94 lakhs.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 41 - Current Tax and Deferred Tax (Contd.)

Particulars	For the Year ended March 31, 2019					
	Opening Balance	Effect of Transition to Ind AS 115	Change in Tax Rate	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities						
Property, Plant and Equipment	(7,802.43)	-	-	(347.92)	(22,401.70)	(30,552.05)
Deferred Cost	-	(23,141.03)	-	(1,557.61)	-	(24,698.64)
Fair valuation of financial assets	(437.39)	-	-	(705.54)	-	(1,142.93)
	(8,239.82)	(23,141.03)	-	(2,611.06)	(22,401.70)	(56,393.62)
Tax effect of items constituting deferred tax assets						
Employee Benefits	339.24	-	-	20.81	-	360.05
Receivables / Revenue derecognition*	9,220.49	(4,452.96)	-	(3,871.72)	-	895.81
Deferred Revenue	-	92,631.75	-	2,020.07	-	94,651.83
Income tax loss	-	-	-	760.95	-	760.95
MAT Credit Entitlement	-	-	-	2,197.00	-	2,197.00
Provisions	-	-	-	58.01	-	58.01
Fair valuation of financial assets	28.32	-	-	(3.41)	-	24.91
	9,588.05	88,178.79	-	1,181.71	-	98,948.56
Net Tax Asset / (Liabilities)	1,348.23	65,037.76	-	(1,429.35)	(22,401.70)	42,554.94

* During the previous year the company had cancelled contracts where there was uncertainty of collection from customers. Consequently the corresponding receivables and deferred revenue relating to those customers were written off. These were fully provided by the company and pursuant to the write off the current tax expense is lower in the previous year and the corresponding deferred tax asset recognised, was utilised.

Note No. 42 - Earnings per Share

Basic earnings per share

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Profit / (Loss) for the year after tax	**(10,821.45)**	6,386.23
Weighted average number of equity shares (in lakhs)	**1,329.04**	1,328.71
Earnings per share - Basic in ₹ per share	**(8.14)**	4.81

Diluted earnings per share

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Profit / (Loss) for the year after tax	**(10,821.45)**	6,386.23
Weighted average number of equity shares (in lakhs)	**1,330.11**	1,329.70
Earnings per share - Diluted in ₹ per share	**(8.14)**	4.80

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Weighted average number of equity shares used in the calculation of Basic EPS	**1,329.04**	1,328.71
Add: Effect of ESOPs	**1.07**	0.99
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,330.11**	1,329.70

All amounts are in ₹ lakhs unless otherwise stated

Note No. 43 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	As At March 31, 2020	As At March 31, 2019
(a) Income Tax matters:		
Claims against the Company not acknowledged as debt (for matters disputed by the Company)		
pertaining to Revenue Recognition (timing difference*) pending before the CIT(A)/ITAT (Company appeal)	**52,652.65**	52,652.65
interest included in the above	**13,584.11**	13,584.11
pertaining to other matters (mainly timing differences*), pending before the CIT(A)/ITAT (Company appeal)	**5,153.63**	5,153.63
interest included in the above	**1,086.96**	1,086.96
Matters decided in favour of the Company, (but under appeal by the Department)		
pertaining to Revenue Recognition (timing difference*) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b) Service Tax matters:		
claimed on interest on instalments and other items (inclusive of penalty where quantified in demand)*	**3,367.53**	3,080.32

* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.

Notes:

1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.

2) In respect of above matters, it is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flows if any.

3) The Company has received show cause notices from service tax authorities of ₹ 21,991.33 lakhs (Previous year ₹ 21,017.00 lakhs). Company has filed its detailed reply and is confident that no payment is expected to be made for this notices.

(c) Luxury Tax matters:

In respect of certain States, the Company has received demands for payment of luxury tax for member stay at resorts as summarised below:

Particulars	As At March 31, 2020	As At March 31, 2019
Demands raised (inclusive of penalty)	**6,735.55**	6,735.55

The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 675.10 lakhs (Previous year ₹ 675.10 lakhs) on a best estimate basis.

The above demands include demands raised by Kerala Luxury Tax authorities in respect of which the Kerala High Court (single bench) has upheld the Constitutional validity of the levy and has allowed the department to proceed with the assessment while setting aside penalty orders. The Company has filed an writ appeal before the Divisional Bench of the Kerala High Court challenging the order of the single bench. The Company had also filed SLP with the Supreme Court wherein order has been passed permitting the tax authorities to proceed with the assessments but restricted the tax authorities for making any demand pursuant to the assessment till the disposal of the appeal before the Divisional Bench of the Kerala High Court.

The provision of ₹ 675.10 lakhs (Previous year ₹ 675.10 lakhs) referred to above includes ₹ 473 lakhs (Previous year ₹ 473 lakhs) on the account of demand raised by Kerala Tax Authorities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 43 - Contingent liabilities and commitments (Contd.)

(d) Guarantees given for its subsidiaries:

Particulars	As At March 31, 2020	As At March 31, 2019
Amount of guarantees given (Euro)	**637.50**	778.50
Outstanding amount against guarantees (Euro)	**578.70**	709.70
Amount of guarantees given (THB)	**1,620.00**	1,620.00
Outstanding amount against guarantees (THB)	**1,410.00**	1,480.00
Amount of guarantees given (₹)	**56,737.58**	63,974.97
Outstanding amount against guarantees (₹)	**51,364.43**	58,328.11

(e) Other matters under appeal (Property related)

(i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company and cancelled the assignment of land underlying the Munnar Resort and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed a writ petition before the Kerala High Court against the said Order. The writ Petition has been disposed of by an Order dated May 21, 2019. Against the said Order, the company has filed a Writ Appeal and by an order dated June 19, 2019, the Court granted an interim stay of all further proceedings. The matter is currently pending before Kerala High Court.

(ii) With respect to certain claims of neighbouring property owners, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against them disturbing the possession of the Company's resort property at Lonavala, Maharashtra and obtained an ad-interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector, Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

f) Other matters

(i) 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 ₹ 1,256.15 lakhs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lakhs towards liquidated damages and other losses. The matter has been heard by the Arbitrator and is reserved for Orders.

(ii) 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 ₹ 189.93 lacs. 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.

(iii) The Company had acquired the entire shareholding of erstwhile Holiday on Hill Resort Private Limited (erstwhile subsidiary) in the year 2012 and subsequently it was amalgamated with the Company. In the year 2013, a Show Cause Notice was issued by the Collector, Solan to the erstwhile subsidiary under the provisions of Section 118 of HP Tenancy and Land Reforms Act, 1972 (the Act) alleging that the sale by the erstwhile subsidiary was in violation of the provisions of the Act and has required the erstwhile subsidiary to show cause why the said land should not be confiscated. The erstwhile subsidiary had responded to the said show cause notice, inter alia, submitting that it has not violated any

All amounts are in ₹ lakhs unless otherwise stated

Note No. 43 - Contingent liabilities and commitments (Contd.)

provisions of the Act in as much as the Company has acquired only the shareholding of the erstwhile subsidiary from its shareholders and no property has been sold to the Company. The matter has been disposed off by an Order dated December 12, 2017 passed by the Financial Controller (Appeals), HP, Shimla in Revision Application preferred by the Company. The State of Himachal Pradesh has challenged the Order dated December 12, 2017 by filing a Writ Petition in the High Court of Himachal Pradesh at Shimla. The Company has filed its reply to the Writ Petition. The Writ Petition is pending.

(g) With respect to member complaints pending before various consumer forum and other matters: Estimated amount of claims ₹ 466.98 lakhs (As at March 31, 2019: ₹ 532.36 lakhs).

(h) **Capital commitment:**

Particulars	As At March 31, 2020	As At March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**4,628.56**	3,943.85

(i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 : In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Company had made a provision for provident fund contribution from the date of the Supreme Court order.

Note No. 44 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 1,327.12 lakhs (2019: ₹ 1,107.18 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2020 and March 31, 2019:

	Particulars	Funded Plan	
		Gratuity	
		2020	2019
Ia.	**Expense recognised in the Statement of Profit and Loss for the year ended March 31:**		
	Current service cost	**146.51**	149.06
	Net Interest cost	**6.46**	6.19
	Components of defined benefit costs recognised in profit & loss	**152.97**	155.25
Ib.	**Included in other Comprehensive Income:**		
	Difference between actual and expected return on plan assets	**6.77**	4.83
	Actuarial (Gain)/Loss on account of :		
	Demographic Assumptions	**(0.02)**	(32.08)
	Financial Assumptions	**38.29**	37.41
	Experience Adjustments	**27.94**	3.18
	Components of defined benefit costs recognised in other comprehensive income	**72.98**	13.34
I.	**Net Liability recognised in the Balance Sheet as at March 31:**		
	1. Present value of defined benefit obligation as at March 31	**882.21**	723.74
	2. Fair value of plan assets as at March 31	**805.03**	626.02
	3. Deficit	**(77.18)**	(97.72)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 44 - Employee benefits (Contd.)

	Particulars	Funded Plan Gratuity 2020	Funded Plan Gratuity 2019
II.	**Change in the obligation during the year ended March 31:**		
	Present value of defined benefit obligation at the beginning of the year	**723.74**	626.49
	Expenses Recognised in the Statement of Profit and Loss		
	- Current Service Cost	**146.51**	149.06
	- Interest Expense	**47.87**	46.95
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)	**-**	-
	Actuarial Gain / (Loss) arising from:		
	Change in Demographic Assumptions	**(0.02)**	(32.08)
	Financial Assumptions	**38.29**	37.41
	Experience Adjustments	**27.94**	3.18
	Benefit payments	**(102.12)**	(107.26)
	Present value of defined benefit obligation at the end of the year	**882.21**	723.75
III.	**Change in fair value of assets during the year ended March 31:**		
	Fair value of plan assets at the beginning of the year	**626.02**	543.88
	Expenses Recognised in the Statement of Profit and Loss		
	Expected return on plan assets	**41.40**	40.76
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	Difference between actual and expected return on plan assets	**(6.77)**	(4.83)
	Contributions by employer (including benefit payments recoverable)	**246.50**	153.47
	Benefit payments	**(102.12)**	(107.26)
	Fair value of plan assets at the end of the year	**805.03**	626.02
IV.	**Major categories of plan assets :**		
	Deposits with Insurance companies	**805.03**	626.02

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at March 31, 2020	Valuation as at March 31, 2019
Discount rate(s)	**5.15%**	6.60%
Expected rate(s) of salary increase	**5.00%**	5.00%
Expected rate of return on plan assets	**5.15%**	6.60%
Attrition	**25%-45%**	25%-45%
Mortality table	**IALM 2012-14**	IALM 2006-08

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	2019-2020	0.50%	13.60	(14.01)
	2018-2019	0.50%	10.67	(10.98)
Salary growth rate	2019-2020	0.50%	(13.96)	13.68
	2018-2019	0.50%	(11.10)	10.88
Attrition rate	2019-2020	0.50%	49.65	(66.19)
	2018-2019	0.50%	31.04	(31.21)
Mortality rate	2019-2020	0.50%	(0.04)	0.04
	2018-2019	0.50%	(0.06)	0.06

All amounts are in ₹ lakhs unless otherwise stated

Note No. 44 - Employee benefits (Contd.)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 215.17 lakhs (Previous Year ₹ 210.11 lakhs) to the gratuity trust during the next financial year of 2020-21.

V. Maturity profile of defined benefit obligation:

Particulars	2020	2019
Within 1 year	**258.27**	239.52
1 - 2 year	**200.25**	160.49
2 - 3 year	**167.65**	131.86
3 - 4 year	**126.41**	106.28
4 - 5 year	**86.98**	77.48
> 5 years	**172.98**	151.19

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2020 and March 31, 2019 by category are as follows:

Particulars	2020	2019
Asset category:		
Contributions placed with Insurance companies	**805.03**	626.02
	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 3 years (March 31, 2019: 3 years)

VI. Experience Adjustments:

Particulars	Year ended				
	2020	2019	2018	2017	2016
	Gratuity				
Defined Benefit Obligation	**882.21**	723.74	626.49	464.85	402.09
Fair value of plan assets	**805.03**	626.02	543.88	448.91	397.79
Surplus/(Deficit)	**(77.18)**	(97.72)	(82.61)	(15.94)	(4.30)
Experience adjustment on plan liabilities [(Gain)/ Loss]	**(66.21)**	(8.50)	(77.78)	(27.54)	8.41
Experience adjustment on plan assets [Gain/ (Loss)]	**(6.77)**	(4.83)	(31.66)	23.05	(23.86)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of compensated absences is ₹ 370.56 lakhs (Previous Year: ₹ 244.71 lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 45 - Financial Instruments

Capital management

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

Categories of financial assets and financial liabilities

As at March 31, 2020

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	388.96	-	388.96
Trade Receivables	49,438.05	-	-	49,438.05
Loans	4,415.41	-	-	4,415.41
Other Financial Assets				
- Non Derivative Financial Assets	9,089.73	-	-	9,089.73
Current Assets				
Investments	-	39,294.82	-	39,294.82
Trade Receivables	118,750.18	-	-	118,750.18
Cash and cash equivalents	1,463.48	-	-	1,463.48
Other Bank Balances	19,168.12	-	-	19,168.12
Loans	4,478.67	-	-	4,478.67
Other Financial Assets				
- Non Derivative Financial Assets	14,400.57	-	-	14,400.57
Non-current Liabilities				
Borrowings- Lease liabilities	13,545.23	-	-	13,545.23
Other Financial Liabilities				
- Non Derivative Financial Liabilities	547.68	-	-	547.68
Current Liabilities				
Trade Payables	17,794.49	-	-	17,794.49
Lease liabilities	5,180.94	-	-	5,180.94
Other Financial Liabilities				
- Non Derivative Financial Liabilities	9,276.46	-	-	9,276.46

As at March 31, 2019

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	383.23	-	383.23
Trade Receivables	56,142.41	-	-	56,142.41
Loans	4,663.84	-	-	4,663.84
Other Financial Assets				
- Non Derivative Financial Assets	1,383.98	-	-	1,383.98
Current Assets				
Investments	-	31,183.08	-	31,183.08
Trade Receivables	105,948.77	-	-	105,948.77
Cash and Cash Equivalents	2,625.22	-	-	2,625.22
Other Bank Balances	98.68	-	-	98.68
Loans	3,539.22	-	-	3,539.22
Other Financial Assets				
- Non Derivative Financial Assets	27,514.03	-	-	27,514.03
Non-current Liabilities				
Other Financial Liabilities				
- Non Derivative Financial Liabilities	694.24	-	-	694.24
Current Liabilities				
Trade Payables	16,389.42	-	-	16,389.42
Other Financial Liabilities				
- Non Derivative Financial Liabilities	8,250.98	-	-	8,250.98

All amounts are in ₹ lakhs unless otherwise stated

Note No. 45 - Financial Instruments (Contd.)

Financial Risk Management Framework

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Company's Business Plan. The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	Exposure primarily from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities

(i) Credit risk management

A significant portion of the Company's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms;

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- Deferred Revenue - Vacation ownership fee" (refer note 29 and note 34).

The allowances for credit loss and for revenue deferred at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Company is as under:

Particulars	March 31, 2020	March 31, 2019
Carrying value of receivables (refer note 8 and 17)*	**168,302.20**	162,205.25
Credit loss allowance	**113.97**	113.97
Loss allowance (%)	**0.07%**	0.07%

* With effect from FY 2015-16, the Company, in accordance with Ind AS, is deferring revenue at inception based on trends as explained and accordingly the credit loss allowance reflects a declining trend. The amounts deferred at inception and the credit loss allowance are adjusted from the carrying value of receivables (refer note 8 and 17) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

Reconciliation of credit loss allowance adjusted from Trade Receivables

Particulars	Amount
Balance as at March 31, 2019	113.97
Allowance for credit loss recognised during the year	-
Amounts written off during the year	-
Balance as at March 31, 2020	**113.97**
Balance as at March 31, 2018	3,173.41
Allowance for credit loss recognised during the year	-
Amounts written off during the year	(3,059.44)
Balance as at March 31, 2019	**113.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 45 - Financial Instruments (Contd.)

(ii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2020				
Trade Payables	17,794.49	-	-	-
Lease Liabilities	6,468.70	8,313.01	5,161.90	2,849.30
Other Financial Liabilities	9,132.54	547.68	-	-
Financial guarantee contracts	51,364.43	-	-	-
Total	**84,760.16**	**8,860.69**	**5,161.90**	**2,849.30**
Non-derivative financial liabilities as at March 31, 2019				
Trade Payables	16,389.42	-	-	-
Other Financial Liabilities	7,580.25	694.24	-	-
Financial guarantee contracts	58,328.11	-	-	-
Total	**82,297.78**	**694.24**	**-**	**-**

The Company has provided financial guarantees to its wholly owned subsidiaries. The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2020	March 31, 2019
Cash credit		
- Expiring within one year	**6,000**	6,000
	6,000	6,000

(iii) Market risk management

The Company's market risk comprises solely of its foreign currency exposure which are limited and not material to the size of its operations.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's investing activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 45 - Financial Instruments (Contd.)

Particulars	Currency	in ₹ lakhs	
		March 31, 2020	March 31, 2019
Receivables	MYR	**707.14**	710.00
	EUR	**1,707.79**	1,281.02
	AED	**749.28**	869.06
	THB	**972.87**	896.29
Payables	USD	**419.34**	5.38
	MYR	**52.49**	10.20
	BTN	**37.35**	-
	LKR	**0.84**	-
	SGD	**77.97**	-
	AED	**947.73**	652.46
	THB	**7.30**	37.58

Of the above foreign currency exposures, none of the exposures are hedged by a derivative. These foreign currency exposures are denominated in currencies that are not very volatile. Hence, the Company is not exposed to major currency risks.

<u>Foreign Currency Sensitivity</u>

The Company is exposed to the following currency risks - USD, AED, THB, MYR, BTN, LKR, SGD and EUR - and the following table demonstrates the sensitivity.

in ₹ lakhs

Particulars	Currency	Change in rate	Impact on profit before tax
March 31, 2020	**USD**	**+10%**	**41.93**
	USD	**-10%**	**(41.93)**
	MYR	**+10%**	**65.46**
	MYR	**-10%**	**(65.46)**
	EUR	**+10%**	**170.78**
	EUR	**-10%**	**(170.78)**
	BTN	**+10%**	**(3.73)**
	BTN	**-10%**	**3.73**
	LKR	**+10%**	**(0.08)**
	LKR	**-10%**	**0.08**
	SGD	**+10%**	**(7.80)**
	SGD	**-10%**	**7.80**
	AED	**+10%**	**(19.84)**
	AED	**-10%**	**19.84**
	THB	**+10%**	**96.56**
	THB	**-10%**	**(96.56)**
March 31, 2019	USD	+10%	0.54
	USD	-10%	(0.54)
	MYR	+10%	69.98
	MYR	-10%	(69.98)
	EUR	+10%	128.10
	EUR	-10%	(128.10)
	AED	+10%	21.66
	AED	-10%	(21.66)
	THB	+10%	85.87
	THB	-10%	(85.87)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 46 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities* measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2020	March 31, 2019		
Financial assets				
Investments				
Mutual fund investments	**39,294.82**	31,183.08	Level 1	Refer note 1 below
Equity and preference investments	**388.96**	383.23	Level 3	Refer note 2 below
Total financial assets	**39,683.78**	31,566.31		

Note 1: Fair value determined using NAV.

Note 2: Fair value determined using discounted cash flow method.

Reconciliation of Level 3 fair values

Particulars	Equity and Preference
Balance as at March 31, 2019	383.23
Fair value gain included in statement of profit and loss	5.73
Balance as at March 31, 2020	**388.96**

* Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

Note No. 47 - Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the Company during the year is ₹ 365 lakhs (Previous Year : ₹ 410 lakhs)

Particulars	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	365.15	-	365.15

Note No. 48 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Work-in-progress	**23,606.27**	21,818.13

All amounts are in ₹ lakhs unless otherwise stated

Note No. 48 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein: (Contd.)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries, Wages & Bonus	**2,123.13**	2,040.65
Staff welfare Expenses	**44.05**	38.08
Power & Fuel	**36.17**	42.48
Rent	**30.66**	24.32
Rates & Taxes	**0.48**	11.35
Repairs-Others	**16.40**	19.59
Travelling	**133.02**	132.59
Consultancy Charges	**181.19**	184.49
Freight	**-**	10.27
Miscellaneous	**146.66**	154.10
	2,711.76	2,657.92

Note No. 49 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to MSME suppliers as on	**124.92**	61.11
(ii) the amount of interest paid by the buyer under MSMED Act,	**-**	-
(iii) Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	**-**	-
(iv) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**-**	-
(v) Interest due and payable on unpaid principal amount to MSME suppliers as on	**-**	-

Note No. 50 - Segment information

The Company is primarily engaged in the business of sale of Vacation Ownership and other related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Related party transactions

Particulars		March 31, 2020	March 31, 2019
Transactions during the year:	**Holding company**		
Sale of services	Mahindra & Mahindra Limited	**17.22**	257.22
Purchases of PPE	Mahindra & Mahindra Limited	**42.17**	111.07
Purchase of services	Mahindra & Mahindra Limited	**612.61**	616.20
Dividend paid (Including Dividend Distribution Tax)	Mahindra & Mahindra Limited	**-**	4,334.70
	Subsidiary companies		
ICD, Loans & Advances given	Gables Promoters Private Ltd	**1,040.00**	1,600.00
ICD, Loans & Advances received	Heritage Bird (M) Sdn Bhd.	**52.68**	51.84
	Arabian Dreams Hotels Apartments LLC	**190.26**	190.55
Purchase of services	Heritage Bird (M) Sdn Bhd.	**122.33**	123.32
	Infinity Hospitality Group Company Ltd	**407.42**	358.60
	Gables India Private Limited	**1,008.69**	991.21
	Arabian Dreams Hotels Apartments LLC	**1,307.90**	1,260.97
Reimbursement of Expenses	Gables Promoters Private Limited	**136.79**	69.90
Interest Income	Heritage Bird (M) Sdn Bhd.	**31.49**	33.82
	Gables Promoters Private Limited	**184.56**	64.80
	MH Boutique Hospitality Limited	**22.06**	20.60
	Mahindra Hotels & Residences India Ltd	**0.48**	0.48
	MHR Holdings (Mauritius) Limited	**4.38**	4.43
	Arabian Dreams Hotels Apartments LLC	**8.27**	19.63
Commission on Corporate Guarantee	MHR Holdings (Mauritius) Limited	**245.53**	249.66
	Covington S.a.r.l	**24.15**	42.63
	Infinity Hospitality Group Company Ltd	**17.92**	17.57
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Ltd	**-**	3,880.93
	Fellow Subsidiaries / Associates		
Sale of services	Mahindra Intertrade Ltd	**1.26**	1.23
	Mahindra Lifespace Developers Ltd	**14.12**	13.48
	Mahindra Rural Housing Finance Ltd	**0.08**	0.33
	Bristlecone India Limited.	**-**	0.20
	Tech Mahindra Limited	**-**	2.65
Interest Income	Mahindra Rural Housing Finance Ltd	**56.88**	-
	Mahindra & Mahindra Financial Services Ltd	**13.33**	-
Purchase of PPE	Mahindra Retail Private Limited	**254.39**	547.93
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	**294.78**	277.39
	Mahindra Defence Systems	**-**	20.82
	Trringo.com Limited	**-**	1.13
	Mahindra Retail Private Limited	**59.25**	104.97
	Bristlecone India Limited.	**243.75**	168.05
	Tech Mahindra Ltd	**260.90**	426.28
	Director's Interest		
Purchase of Services	Grassroutes Journeys Pvt Ltd	**0.61**	2.97
	Nowigence India Private Limited	**7.80**	-

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Related party transactions (Contd.)

Particulars		March 31, 2020	March 31, 2019
Managerial remuneration:	**Key Management Personnel**		
	Mr. Kavinder Singh	**464.67**	416.28
	Mr. S Krishnan (Upto January 21, 2018)	**-**	38.18
	Mrs. Akhila Balachandar	**132.82**	120.20
	Mr. Dinesh Shetty (Upto March 31, 2018)	**-**	25.70
	Mr. Nirav Momaya (wef September 28, 2018 upto October 29, 2018)	**-**	1.52
	Mr. Dhanraj Mulki (wef October 29, 2018)	**72.09**	25.09
	Directors Sitting Fees	**39.70**	43.50
	Commission to non whole time directors	**129.00**	105.00
Investment in Inter Corporate Deposits	**Fellow Subsidiaries/Associates**		
	Mahindra Rural Housing Finance Ltd	**6,500.00**	-
	Mahindra & Mahindra Financial Services Ltd	**1,590.00**	-
Balances as at:	**Holding company**		
Outstanding: Payable	Mahindra & Mahindra Limited	**335.98**	436.97
Outstanding: Receivable	Mahindra & Mahindra Limited	**3.67**	13.30
	Subsidiary companies		
Investments	Mahindra Hotels & Residences India Ltd	**5.00**	5.00
	Heritage Bird (M) Sdn Bhd.	**40.27**	40.27
	Gables Promoters Private Limited	**6,543.78**	6,543.78
	Infinity Hospitality Group Company Ltd	**2,681.11**	2,681.11
	MH Boutique Hospitality Limited	**95.38**	95.38
	Arabian Dreams Hotels Apartments LLC	**52.11**	52.11
	MHR Holdings (Mauritius) Limited	**115.11**	115.11
Loans and Advances including interest accrued	Mahindra Hotels & Residences India Ltd	**7.40**	7.40
Inter Corporate Deposits including interest accrued	Gables Promoters Private Limited	**2,864.43**	1,658.32
	MH Boutique Hospitality Limited	**965.80**	896.31
	Mahindra Hotels & Residences India Ltd	**6.80**	6.37
	MHR Holdings (Mauritius) Limited	**269.51**	247.37
	Arabian Dreams Hotels Apartments LLC	**459.07**	600.84
	Heritage Bird (M) Sdn Bhd.	**707.21**	710.00
Other Receivables	MHR Holdings (Mauritius) Limited	**1,226.74**	863.07
	Covington S.a.r.l	**211.48**	169.52
	Infinity Hospitality Group Company Limited	**7.60**	4.31
	Gables Promoters Private Limited	**149.00**	24.64
Other Payables	Infinity Hospitality Group Company Limited	**15.56**	37.58
	Heritage Bird (M) Sdn Bhd.	**52.50**	10.20
	Gables Promoters Private Limited	**206.93**	39.08
	Arabian Dreams Hotels Apartments LLC	**539.54**	144.75
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Limited	**49,670.18**	51,888.97
	Covington S.a.r.l	**3,325.20**	8,538.20
	Infinity Hospitality Group Company Limited	**3,742.20**	3,547.80
Loan outstanding against above guarantees	MHR Holdings (Mauritius) Limited	**45,197.78**	47,324.91
	Covington S.a.r.l	**2,909.55**	7,762.00
	Infinity Hospitality Group Company Limited	**3,257.10**	3,241.20

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Related party transactions (Contd.)

Particulars		March 31, 2020	March 31, 2019
	Fellow Subsidiaries / Associates	**69.11**	3.88
Outstanding: Payable	Mahindra Retail Pvt Ltd		
	Tech Mahindra Ltd	**160.89**	196.74
	Bristlecone India Limited	**-**	27.49
	Mahindra Integrated Business Solutions Pvt Ltd	**53.09**	33.16
Outstanding: Receivable Other Deposits (Including accrued interest)	Mahindra Lifespace Developers Ltd	**8.95**	5.65
	Mahindra & Mahindra Financial Services Ltd	**1,602.00**	-
	Mahindra Rural Housing Finance Ltd	**6,551.18**	-
Other entities under the control of the company			
Balances as at :			
Outstanding: Receivable	Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	**48.02**	48.02
Outstanding: Payable	Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust	**819.00**	870.68

Note No. 52 - Revenue from contract with customers

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Over time (A)		
Vacation Ownership Income	**34,670.75**	31,546.67
Annual subscription fee	**29,130.08**	26,139.56
Total (A)	**63,800.83**	57,686.23
At a point in time (B)		
Income From resorts:		
Room rentals	**4,801.89**	4,630.57
Food and beverages	**13,578.32**	12,941.55
Wine and liquor	**431.64**	444.96
Others	**4,016.09**	3,953.73
Total (B)	**22,827.94**	21,970.81
Total Revenue from contract with customers (A + B)	**86,628.77**	79,657.04

b) Movement of Deferred Acquisition Cost and Deferred Contract Liability

1 Movement of Deferred Acquisition Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**68,842.63**	64,432.68
i) Additions during the year	**7,217.44**	8,787.26
ii) Amortised during the year	**(4,712.21)**	(4,377.31)
Closing Balance	**71,347.86**	68,842.63

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 52 - Revenue from contract with customers (Contd.)

2 Movement of Deferred Contract Liability

Particulars	March 31, 2020		
	Vacation Ownership	Annual Subscription Fee	Total
Opening Balance	510,744.77	13,187.00	523,931.77
i) Addition during the year (Net)	61,063.46	30,679.26	91,742.72
ii) Income recognised during the year	(34,670.75)	(29,130.08)	(63,800.83)
Closing Balance	537,137.48	14,736.18	551,873.66

Particulars	March 31, 2019		
	Vacation Ownership	Annual Subscription Fee	Total
Opening Balance	493,103.38	12,238.79	505,342.17
i) Addition during the year (Net)	49,188.06	27,087.77	76,275.83
ii) Income recognised during the year	(31,546.67)	(26,139.56)	(57,686.23)
Closing Balance	510,744.77	13,187.00	523,931.77

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

c) Obligations for returns, refunds and other similar obligations:

Particulars	As at March 31, 2020	As at March 31, 2019
Returns, refunds and other similar obligations	**354.16**	454.98
Total	**354.16**	454.98

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

d) Revenue expected to be recognised in the future from Deferred Contract Liability:

Time Band	As at March 31, 2020	As at March 31, 2019
< 1 Year - Vacation Ownership	**37,496.69**	34,111.51
< 1 Year - ASF	**14,736.18**	13,187.00
1 - 2 Year	**36,924.80**	33,812.31
2 - 3 Year	**36,504.60**	33,329.39
3 - 4 Year	**36,152.60**	33,019.38
4 - 5 Year	**35,919.86**	32,877.56
5-10 Year	**166,977.12**	156,239.45
> 10 year	**187,161.81**	187,355.17
Total	**551,873.66**	523,931.77

The deferred contract liability broken year wise shows summary of Vacation Ownership and Annual subscription fee recognisible over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

e) Reconciliation of revenue from contract with customer

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customer as per the contract price	**92,632.52**	83,084.72
Adjustments made to contract price on account of :-		
Discounts / Rebates / Incentives	**(6,003.75)**	(3,427.68)
Revenue from contract with customer as per the statement of Profit and Loss	**86,628.77**	79,657.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 53 - Leases

Right of Use Asset

Particulars	As at March 31, 2020
Balance as at April 1, 2019	19,736.60
Additions during the current year	3,259.91
Deletions during the current year	(453.46)
Amortisation of ROU	(5,116.52)
Balance as at March 31, 2020	17,426.53

Lease Liabilities

Particulars	As at March 31, 2020
Current	5,180.94
Non-Current	13,545.23
Lease liabilities included in the Balance Sheet as at March 31, 2020	18,726.17

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2020
Less than one year	6,468.70
1 - 2 Year	4,613.67
2 - 3 Year	3,699.34
3 - 4 Year	2,861.93
4 - 5 Year	2,299.97
More than five years	2,849.30
Total undiscounted lease liabilities as at March 31, 2020	22,792.91

Amounts recognised in statement of Profit and Loss

Particulars	Year ended March 31, 2020
Interest expense on lease liabilities	1,598.09
Amortisation of ROU	5,116.52
Expenses relating to short term leases	6,750.76
Total	13,465.37

Amounts recognised in Statement of Cash Flows

Particulars	Year ended March 31, 2020
Total Cash outflow for Leases	6,507.00

Lease Movement Disclosure Between Ind AS 17 and Ind AS 116

Particulars	As at March 31, 2020
Operating Lease Commitment as at March 31, 2019 as disclosed in the financial statements	30,445.62
Discounted using Incremental borrowing rate at April 1, 2019	27,704.41
Recognition exemption for	
Short Term Leases	6,521.31
Lease Liabilities recognised as at April 1, 2019	21,183.10

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 54 - Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2020 .

Note No. 55 - Contribution to Political Parties

Payments made by the Company to Political Parties in India in accordance with Section 182 of Companies Act, 2013, during the year as follows:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
New Democratic Electoral Trust (included under 'Miscellaneous expenses' in Note 40)	**50.00**	-

Note No. 56 - Estimation uncertainty relating to COVID-19 outbreak

The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of its current and non current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

Note No. 57

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure.

The financial statements of Mahindra Holidays & Resorts India Limited were approved by the Board of Directors and authorised for issue on May 9, 2020.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mahindra Holidays & Resorts India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor's on separate financial statements of such subsidiaries, associate, and joint venture as were audited by the other auditor's, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2020, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditor's referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters'

I) Revenue from Contracts with Customers under Ind AS 115

See note 3 (C), 41 and 60 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group has a unique business model and its revenue comprises of numerous individual transactions and also multiple streams of revenue with its members. In accordance Ind AS 115 (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognised over the effective membership period. The application of the accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period.	Our procedures included the following: - Evaluating the appropriate accounting policy in accordance with Ind AS 115 for membership contracts entered with customers. - Evaluating and testing the identification of expenses incurred by the Group, which can get classified as incremental costs of acquisition. - Evaluating the process followed by the Group and evaluating the data used for the purpose of identifying and determining the effective membership period after considering breakage i.e customer's unexercised rights and comparing the basis with historical experience of utilization of memberships. - Evaluating the process followed by the Group and evaluating the data used for the purpose of deferral of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections.

<table>
<tr><td colspan="2">I) Revenue from Contracts with Customers under Ind AS 115
See note 3 (C), 41 and 60 to the consolidated financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Incremental costs are those that would not have been incurred if the contract was not obtained. The Group has applied significant judgement in identifying the expenses which can be treated as incremental cost of acquiring new members.</td><td>- Testing the processes and controls instituted for recognition of revenue and incremental costs of acquisition, over the effective membership period. Involving our IT specialists to test the controls in the IT system for recording revenue as per Ind AS 115.
- Assessing the adequacy of the Group's disclosures in accordance with the requirements of Ind AS 115.</td></tr>
</table>

<table>
<tr><td colspan="2">II) Contingent liabilities
See note 49 to the consolidated financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group has significant tax litigations for both direct and indirect taxes.
There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements.
The value of the litigations together with the level of judgement involved make its accounting treatment a significant matter for our audit.</td><td>Our audit procedures included the following:
- Examining the list of outstanding litigation against the Group.
- Inquiring and obtaining explanation for movement during the year.
- Reading the latest correspondence between the Group and the various tax/legal authorities for significant matters for evaluation.
- Discussing the status of significant litigation with the Group's senior management personnel and assessing their responses.
- Examining external opinions obtained by the Group from external advisors.
- Involving our tax specialists and discussing with the Group's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.
- Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.</td></tr>
<tr><td colspan="2">III) Leases in accordance with Ind AS 116
See note 3 (A), 5 and 48 to the consolidated financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Ind AS 116 on leases is effective from April 1, 2019
- The Group has a large number of leasing arrangements both within India and overseas.
- The application of the new accounting standard on lease, involves certain judgements relating to determination of incremental borrowing rate, determination of leases to which Ind AS 116 applies, determination of lease period and selection of transition option.
- The value of the transition adjustment in relation to Ind AS 116 together with the level of judgement involved make its accounting treatment a significant matter for our audit.</td><td>Our audit procedures included the following:
- Assessing and testing new processes and controls in respect of Ind AS 116;
- Assessing the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- Evaluating the reasonableness of management's key judgements and estimates made in preparing the transition adjustments.
- Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments.
- Reassessing management's calculation on remeasurement of lease liabilities.
- Testing completeness of the lease data by reconciling the Group's operating lease commitments as at March 31, 2019 to data used in computing the opening ROU asset and the lease liabilities as at April 1, 2019.
- On a statistical sample, assessing the key terms and conditions of each lease with the underlying lease contracts; and
- On a statistical sample, evaluating computation of lease liabilities and challenging the key estimates such as, discount rates and the lease term.
- Assessing and testing the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</td></tr>
</table>

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditor's, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditor's. For the other entities included in the consolidated financial statements, which have been audited by other auditor's, such other auditor's remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditor's regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of thirty seven subsidiaries, whose financial statements reflect total assets of ₹ 241,861 lakhs as at March 31, 2020, total revenues of ₹ 128,029 lakhs and net cash flows amounting to ₹ 3,356 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 2 lakhs for the year ended March 31, 2020, in respect of one associate and one joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditor's whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the audit reports of the other auditor's.

    Certain of these subsidiaries, associate and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditor's under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associate and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associate and joint venture located outside India is based on the report of other auditor's and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor's on separate financial statements of such subsidiaries, associate and joint venture as were audited by other auditor's, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor's.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor's of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor's on separate financial statements of the subsidiaries, associate and joint venture as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group, its associate and joint venture. Refer Note 49 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 37 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and joint venture.

iii There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2020.

iv The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor's of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Koosai Lehery
Partner
(Membership No. 112399)
UDIN: 20112399AAAAAT4322

Mumbai, May 9, 2020

Annexure A to the Independent Auditor's report on the consolidated financial statements of Mahindra Holidays & Resorts India Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Mahindra Holidays & Resorts India Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor's of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor's of such companies incorporated in India.

For **B S R & Co LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Koosai Lehery
Partner
(Membership No. 112399)

Mumbai, May 9, 2020
UDIN: 20112399AAAAAT4322

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	**234,559.41**	231,423.88
Right of Use Asset	5	**139,079.24**	-
Capital work-in-progress		**24,256.06**	22,324.55
Goodwill	6	**9,997.02**	9,509.19
Other Intangible Assets	7	**2,580.40**	2,947.93
Intangible Assets under development		**725.21**	400.11
Equity accounted investees	8	**182.88**	169.14
Financial Assets			
Investments	8	**1,157.79**	997.77
Trade Receivables	9	**49,905.78**	57,091.78
Loans	10	**4,426.14**	4,673.09
Other financial assets	11	**7,500.00**	26.56
Deferred Tax Assets (Net)	12	**52,259.58**	67,317.99
Other non-current tax assets (Net)	14	**18,665.89**	16,902.80
Deferred Acquisition Cost	15	**66,516.39**	64,283.21
Other non-current assets	16	**3,287.07**	4,312.40
		615,098.86	482,380.40
Current Assets			
Inventories	17	**55,208.67**	56,952.35
Financial Assets			
Investments	18	**39,294.82**	31,183.08
Trade receivables	19	**124,498.59**	111,209.51
Cash and cash equivalents	20	**8,577.01**	6,012.73
Other bank balances	21	**19,441.32**	1,927.55
Loans	22	**25.13**	21.96
Other financial assets	23	**14,182.96**	27,365.94
Deferred Acquisition Cost	24	**4,831.47**	4,559.42
Other current assets	25	**7,419.79**	6,647.14
		273,479.76	245,879.68
		888,578.62	728,260.08
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	26	**13,292.38**	13,289.98
Other Equity	27		
Reserves & Surplus		**62,470.75**	56,659.00
Revaluation Reserve		**78,700.02**	78,700.02
Foreign Currency Translation Reserve		**1,219.63**	869.19
Other Comprehensive Income		**(147.89)**	(93.28)
Transition Difference		**(150,904.10)**	(121,267.67)
		(8,661.59)	14,867.26
		4,630.79	28,157.24
Non-Controlling Interests	28	**932.38**	2,937.56
		5,563.17	31,094.80
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings- Lease Liabilities	29	**142,705.19**	-
Borrowings- Loans	30	**32,667.65**	56,714.09
Other financial liabilities	31	**3,509.03**	4,637.64
Provisions	32	**709.37**	578.68
Deferred Tax Liabilities	13	**23,824.34**	23,824.34
Other Non-Current Liabilities			
Contract Liability - Deferred Revenue	33	**502,582.46**	479,591.28
		705,998.04	565,346.03
Current liabilities			
Financial Liabilities			
Borrowings	34	**-**	1,772.41
Trade Payables	35		
Total outstanding dues of micro enterprises and small enterprises; and		**124.92**	61.18
Total outstanding dues of creditors other than micro enterprises and small enterprises		**30,747.60**	28,428.62
Lease Liabilities	36	**14,584.29**	-
Other Financial Liabilities	37	**66,211.17**	42,465.69
Provisions	38	**606.90**	565.18
Other Current Liabilities			
Contract Liability - Deferred Revenue	39	**60,736.62**	54,766.45
Others	40	**4,005.91**	3,759.72
		177,017.41	131,819.25
		888,578.62	728,260.08

See accompanying notes to the financial statements

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue			
Revenue from operations	41	**237,186.67**	223,899.36
Other Income	42	**5,927.89**	5,666.69
Total Revenue		**243,114.56**	229,566.05
Expenses			
Cost of vacation ownership weeks	45(a)	**37,383.01**	30,850.19
Employee benefits expense	43	**58,485.28**	57,430.47
Finance costs	44	**7,947.41**	2,358.80
Depreciation and amortisation expense	4,5 & 7	**24,712.35**	10,134.30
Other expenses	45(b)	**104,455.54**	118,995.87
Total Expenses		**232,983.59**	219,769.63
Profit before share of profit of joint ventures and associates		**10,130.97**	9,796.42
Share of profit of joint ventures and associates (net of income tax)		**1.65**	8.28
Profit before tax excluding impact of change in tax rate		**10,132.62**	9,804.70
Tax expense excluding impact of change in tax rate			
Current tax	46	**2,534.04**	2,455.31
Deferred tax	46	**1,051.89**	1,392.20
		3,585.93	3,847.51
Profit after tax for the year excluding impact of change in tax rate		**6,546.69**	5,957.19
One time impact on Tax expense (Current and Deferred) due to change in tax rate	46	**19,972.94**	-
Profit / (Loss) after tax for the year		**(13,426.25)**	5,957.19
Profit / (Loss) for the year attributable to:			
Owners of the Company		**(13,205.90)**	6,042.04
Non controlling interests		**(220.35)**	(84.85)
		(13,426.25)	5,957.19
Other comprehensive income			
Items that will not be reclassified to profit or (loss)			
Remeasurements of the defined benefit liabilities/ (asset)		**(72.98)**	(13.34)
Freehold land revaluation		**-**	103,587.49
Income taxes related to items that will not be reclassified to profit or loss		**18.37**	(23,883.30)
Items that may be reclassified to profit or (loss)			
Exchange differences on translating the financial statements of foreign operations		**2,082.63**	(2,174.66)
Net Gain/(Loss) on net investment hedge		**(1,732.19)**	500.23
Income taxes related to items that may be reclassified to profit or loss		**-**	-
Total other comprehensive income		**295.83**	78,016.42
Other comprehensive income for the year attributable to:			
Owners of the Company		**295.83**	77,247.20
Non controlling interests		**-**	769.22
		295.83	78,016.42
Total comprehensive income for the year		**(13,130.42)**	83,973.61
Total comprehensive income for the year attributable to:			
Owners of the Company		**(12,910.07)**	83,289.24
Non controlling interests		**(220.35)**	684.37
		(13,130.42)	83,973.61
Earnings per equity share			
(face value of ₹ 10 per share)			
Basic ₹ per share	47	**(9.94)**	4.55
Diluted ₹ per share	47	**(9.94)**	4.54

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Statement of Changes in Equity

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Share Capital	Other Equity											Attributable to owners of the Company	Non-Controlling Interests (NCI)	Total
		Reserves & Surplus							Foreign Currency Translation Reserve	Other Comprehensive Income Actuarial Gain / (Loss)	Revaluation Reserve	Transition difference			
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	FCMITDR	Retained Earnings							
Balance at the beginning of reporting year April 1, 2019	**13,289.98**	**44.75**	**10,312.44**	**10,381.68**	**1,265.92**	**145.80**	**(450.97)**	**34,959.37**	**869.19**	**(93.28)**	**78,700.02**	**(121,267.67)**	**28,157.24**	**2,937.56**	**31,094.80**
Profit for the year	-	-	-	-	-	-	-	6,767.04	-	-	-	-	6,767.04	(220.35)	6,546.69
Effect of change in tax rate	-	-	-	-	-	-	-	(2,197.00)	-	-	-	(17,775.94)	(19,972.94)	-	(19,972.94)
Effect of change in tax rate on Ind AS 116 impact	-	-	-	-	-	-	-	-	-	-	-	218.18	218.18	-	218.18
Additions during the year	-	-	-	-	209.57	-	-	-	-	-	-	-	209.57	-	209.57
Issue of shares by ESOP Trust	2.40	-	49.30	-	-	-	-	-	-	-	-	-	51.68	-	51.68
Impact on account of transition to Ind AS 116 (refer note no 3(A))	-	-	-	-	-	-	-	-	-	-	-	(12,078.67)	(12,078.67)	-	(12,078.67)
OCI component of actuarial gains/ (losses) (Net of taxes)	-	-	-	-	-	-	-	-	-	(54.61)	-	-	(54.61)	-	(54.61)
Net Gain/(Loss) on net investment hedge	-	-	-	-	-	-	-	-	(1,732.19)	-	-	-	(1,732.19)	-	(1,732.19)
Acquisition of NCI	-	-	-	143.95	-	-	-	-	-	-	-	-	143.95	(1,784.83)	(1,640.88)
Changes during the year	-	-	-	-	-	-	154.81	684.09	2,082.63	-	-	-	2,921.54	-	2,921.54
Balance at the end of reporting year March 31, 2020	**13,292.38**	**44.75**	**10,361.74**	**10,525.63**	**1,475.49**	**145.80**	**(296.16)**	**40,213.50**	**1,219.63**	**(147.89)**	**78,700.02**	**(150,904.10)**	**4,630.79**	**932.38**	**5,563.17**

Particulars	Share Capital	Other Equity												Attributable to owners of the Company	Non-Controlling Interests (NCI)	Total
		Reserves & Surplus							Foreign Currency Translation Reserve	Other Comprehensive Income Actuarial Gain / (Loss)	Revaluation Reserve	Transition difference			
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	FCMITDR	Retained Earnings							
Balance at the beginning of reporting year April 1, 2018	13,275.95	44.75	10,067.73	10,381.68	1,117.47	145.80	(1,806.58)	35,459.17	2,543.62	(84.60)	-	-	71,144.99	2,735.59	73,880.58
Profit for the year	-	-	-	-	-	-	-	6,042.04	-	-	-	-	6,042.04	(84.85)	5,957.19
Additions during the year	-	-	-	-	148.45	-	-	-	-	-	-	-	148.45	-	148.45
Fresh Issue of shares	11.00	-	182.60	-	-	-	-	-	-	-	-	-	193.60	-	193.60
Issue of shares by ESOP Trust	3.03	-	62.11	-	-	-	-	-	-	-	-	-	65.14	-	65.14
Revaluation of Freehold Land (refer note no 3(B))(Net of Taxes)	-	-	-	-	-	-	-	-	-	-	78,878.28	-	78,878.28	833.80	79,712.08
Sale of Land	-	-	-	-	-	-	-	178.26	-	-	(178.26)	-	-	-	-
Impact on account of transition to Ind AS 115 (refer note no 3(C))	-	-	-	-	-	-	-	-	-	-	-	(121,267.67)	(121,267.67)	-	(121,267.67)
OCI component of actuarial gains/ (losses) (Net of taxes)	-	-	-	-	-	-	-	-	-	(8.68)	-	-	(8.68)	-	(8.68)
Dividends (including Dividend Distribution Tax)	-	-	-	-	-	-	-	(6,440.24)	-	-	-	-	(6,440.24)	-	(6,440.24)
Net Gain/(Loss) on net investment hedge	-	-	-	-	-	-	-	-	500.23	-	-	-	500.23	-	500.23
Acquisition of NCI	-	-	-	-	-	-	-	(279.86)	-	-	-	-	(279.86)	(482.40)	(762.26)
Changes during the year	-	-	-	-	-	-	1,355.61	-	(2,174.66)	-	-	-	(819.04)	(64.58)	(883.62)
Balance at the end of reporting year March 31, 2019	13,289.98	44.75	10,312.44	10,381.68	1,265.92	145.80	(450.97)	34,959.37	869.19	(93.28)	78,700.02	(121,267.67)	28,157.24	2,937.56	31,094.80

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit before tax for the year	**10,132.62**	9,804.70
	Adjustments for:		
	Finance costs	**7,947.41**	2,358.80
	Interest income	**(3,041.28)**	(1,726.65)
	Dividend income	**-**	(31.84)
	Impairment loss recognised on trade receivables	**299.77**	438.25
	Depreciation and amortisation of non-current assets	**24,712.35**	10,134.30
	Net loss/ (gain) on disposal of property, plant and equipment	**41.08**	(107.85)
	Gain due to change in lease arrangement	**(43.27)**	-
	Net foreign exchange loss/ (gain)	**2,284.72**	(1,841.95)
	Net gain on sale of Investment	**(239.05)**	-
	Net gain on investments carried at FVTPL	**(2,458.26)**	(3,038.59)
	Equity-settled share-based payments	**209.58**	148.45
	Share of profit of associates and joint venture	**(1.65)**	(8.28)
		29,711.40	6,324.64
	Operating profit before working capital changes	**39,844.02**	16,129.34
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**(9,224.58)**	10,621.91
	Decrease/ (Increase) in Inventories	**5,370.40**	(6,535.73)
	Increase/(Decrease) in trade payables	**1,610.45**	(546.93)
	Increase in provisions	**245.39**	67.43
	Increase in contract liability - deferred revenue	**28,202.73**	16,172.31
	Decrease in other liabilities	**(3,526.35)**	(1,087.81)
		22,678.04	18,691.18
	Cash generated from operations	**62,522.06**	34,820.52
	Income taxes paid	**(6,461.19)**	(8,497.74)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**56,060.87**	26,322.78
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**2,510.39**	805.81
	Dividend income	**-**	31.84
	Placement of fixed deposits and other deposits	**(39,062.92)**	(25,150.00)
	Proceeds from maturity of fixed deposits and other deposits	**27,891.22**	1,250.00
	Payments for property, plant and equipment and intangibles	**(14,892.80)**	(17,415.93)
	Proceeds from disposal of property, plant and equipment	**527.20**	982.98
	Purchase of investment	**(51,180.00)**	(47,164.96)
	Purchase of equity investment	**-**	(473.89)
	Sale of equity investment	**-**	144.95
	Proceeds from disposal of investment	**45,759.87**	63,224.89
	NET CASH USED IN INVESTING ACTIVITIES	**(28,447.04)**	(23,764.31)

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings	**17,430.06**	17,279.71
Repayment of borrowings	**(19,707.03)**	(10,294.59)
Payment of Lease Liabilities	**(13,046.02)**	-
Proceeds from issue of equity share capital	**51.68**	258.74
Dividends paid to owners of the Company (including Dividend Distribution Tax)	**-**	(6,437.20)
Acquisition of Non controlling interest	**(1,640.74)**	(762.26)
Interest Paid on Lease Liabilities	**(6,316.55)**	-
Interest Paid on Borrowings	**(2,191.06)**	(2,113.91)
NET CASH USED IN FINANCING ACTIVITIES	**(25,419.66)**	(2,069.51)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**2,194.17**	488.96
Cash and cash equivalents at the beginning of the year	**6,012.73**	5,631.73
Effect of exchange rate fluctuations on cash held	**370.11**	(107.96)
Cash and cash equivalents at the end of the year (Refer note no 20)	**8,577.01**	6,012.73

See accompanying notes to the financial statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 (a) Significant accounting policies

(i) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements of the Group have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The consolidated financial statements present the consolidated accounts which consist of accounts of the Company and that of the following subsidiaries, joint venture, associate and other entity controlled by Group.

Name of the Company	Country of incorporation	Effective holding as of March 31,		Subsidiary/Joint venture/ Associate/ Other entity controlled by Group since
		2020	2019	
Subsidiary Companies				
Mahindra Hotels & Residences India Limited	India	100%	100%	26-Apr-07
Heritage Bird (M) Sdn Bhd	Malaysia	100%	100%	03-Mar-08
Gables Promoters Private Limited	India	100%	100%	24-Aug-12
MH Boutique Hospitality Limited	Thailand	49%	49%	02-Nov-12
Infinity Hospitality Group Company Limited	Thailand	73.99%	73.99%	05-Nov-12
MHR Holdings (Mauritius) Limited	Mauritius	100%	100%	11-Jul-14
Covington S.a.r.l	Luxembourg	100%	100%	17-Jul-14
Arabian Dreams Hotels Apartments LLC	Dubai	49%	49%	26-Mar-13
HCR Management Oy	Finland	100%	100%	02-Sep-15
Holiday Club Resorts Oy	Finland	100%	96.47%	02-Sep-15
Holiday Club Sweden Ab Åre, Sweden	Sweden	100%	96.47%	02-Sep-15
Ownership Services Sweden Ab	Sweden	100%	96.47%	02-Sep-15
Are Villa 1 Ab ####	Sweden	-	96.47%	02-Sep-15
Are Villa 2 Ab ####	Sweden	-	96.47%	02-Sep-15
Åre Villa 3 AB	Sweden	100%	96.47%	26-Jan-18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Name of the Company	Country of incorporation	Effective holding as of March 31,		Subsidiary/Joint venture/ Associate/ Other entity controlled by Group since
		2020	2019	
Holiday Club Canarias Investments S.L.	Spain	100%	96.47%	02-Sep-15
Holiday Club Canarias Sales & Marketing S.L.	Spain	100%	96.47%	02-Sep-15
Holiday Club Canarias Resort Management S.L.	Spain	100%	96.47%	02-Sep-15
Holiday Club Canaries Vacation Club SLU	Spain	100%	96.47%	18-Dec-18
Holiday Club Resorts Rus LLC	Russia	100%	96.47%	02-Sep-15
Suomen Vapaa-aikakiinteistöt Oy LKV	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Himos Gardens	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Vanha Ykköstii	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Katinnurkka	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Tenetinlahti	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Mällösniemi	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Rauhan Ranta 1	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Rauhan Ranta 2	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Tiurunniemi	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Rauhan Liikekiinteistöt 1	Finland	100%	96.47%	02-Sep-15
Supermarket Capri Oy	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Kylpyläntorni 1	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Spa Lofts 2	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Spa Lofts 3	Finland	100%	96.47%	02-Sep-15
Kiinteistö Oy Kuusamon Pulkkajärvi 1	Finland	100%	96.47%	02-Sep-15
Holiday Club Sport and Spa Hotels AB (Visionsbolaget 10088 AB)	Sweden	51%	49.20%	01-Dec-15
Joint venture				
Tropiikin Rantasauna Oy	Finland	50%	48.23%	31-Aug-16
Associate				
Kiinteisto Oy Seniori-Saimaa	Finland	31%	29.91%	02-Sep-15
Other Entity Controlled by Group				
Mahindra Holidays & Resorts India Ltd Employee Stock Option Trust.	India	100%	100%	22-May-06

Are Villa 1 AB & Are Villa 2 AB were subsidiaries till March 4, 2020.

The financial statements of subsidiaries, joint venture, associate and other entity controlled by Group used in the consolidation are drawn up to the same reporting date as that of the holding company.

(iv) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financials Statements to Schedule III to the Companies Act, 2013

All amounts are in ₹ lakhs unless otherwise stated

Sl. No	Name of Entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
1	**Parent**								
	Mahindra Holidays & Resorts India Limited	316.64%	17,615.31	80.60%	(10,821.47)	(18.46%)	(54.61)	82.83%	(10,876.08)
2	**Subsidiaries**								
	a. Indian:								
	Gables Promoters (P) Ltd.	147.65%	8,214.08	1.10%	(147.81)	0.00%	-	1.13%	(147.81)
	Mahindra Hotels & Residences India Limited	(0.26%)	(14.29)	0.01%	(1.51)	0.00%	-	0.01%	(1.51)
	Mahindra Holidays & Resorts India Ltd Employee Stock Option Trust	14.87%	827.13	0.00%	(0.46)	0.00%	-	0.00%	(0.46)
	b. Foreign:								
	Heritage Bird (M) Sdn Bhd	0.43%	24.01	(0.10%)	13.14	0.00%	-	(0.10%)	13.14
	MH Boutique Hospitality Ltd	(5.73%)	(318.77)	0.56%	(75.59)	0.00%	-	0.58%	(75.59)
	Infinity Hospitality Group Company Limited	57.87%	3,219.18	2.63%	(353.68)	0.00%	-	2.69%	(353.68)
	Covington S.a.r.l	234.92%	13,069.16	16.80%	(2,255.86)	0.00%	-	17.18%	(2,255.86)
	MHR Holdings (Mauritius) Limited	(93.24%)	(5,187.33)	15.88%	(2,132.14)	0.00%	-	16.24%	(2,132.14)
	Holiday Club Resorts Oy	660.85%	36,763.96	(5.07%)	681.29	0.00%	-	(5.19%)	681.29
	HCR Management Oy	33.89%	1,885.60	(0.28%)	37.79	0.00%	-	(0.29%)	37.79
	Arabian Dreams Hotels Apartments LLC	7.98%	443.72	(3.34%)	447.96	0.00%	-	(3.41%)	447.96
3	**Non Controlling Interest**	16.76%	932.38	1.64%	(220.35)	0.00%	-	1.68%	(220.35)
4	**Share of profit/(loss) in associate**	0.00%	-	(0.01%)	1.65	0.00%	-	(0.01%)	1.65
	Inter- Company Elimination & Consolidation Adjustments	(1,292.63%)	(71,910.97)	(10.43%)	1,400.79	118.46%	350.44	(13.34%)	1,751.23
	TOTAL	**100.00%**	**5,563.17**	**100.00%**	**(13,426.25)**	**100.00%**	**295.83**	**100.00%**	**(13,130.42)**

(v) Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based payment at the acquisition date (see note (xiii)); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(vi) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note (v) above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note (vii) below.

(vii) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(viii) Revenue recognition

a. Revenue from sale of Vacation Ownership

The Group's business is to sell Vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Revenue from Membership fees

The Group will recognise the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Group will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred revenue - vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value.

Discounts and other incentives provided to the customer's are reduced from the overall contract value. Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

Revenue from Annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other current liabilities - Contract Liability- Deferred revenue – Annual subscription fee.

Interest income on deferred payment plans

Interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no xx).

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue with respect to instalments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainty in collection has been made by the Group based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Revenue from sale of vacation ownership weeks is recognized when related right to use the specific property over the specific week(s) is transferred to the buyer for a consideration, which coincides with transfer of significant risks, rewards and control of ownership.

c. Income from sale of vacation ownership weeks in villas under construction is deferred until the point in time when construction activities are deemed to be completed, occupancy of the development is permissible, customer has executed a binding sales contract, collectability is reasonably assured, the purchaser's period to cancel for a refund has expired and the customer has the right to use. Project revenue and contract costs associated with the contract are recognized on completion of the performance obligations as mentioned above.

d. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

e. Rental income from retail premises in case of HCR Oy are recognized on a straight line basis over the rental period.

(ix) Leases

The Group has adopted Ind AS 116, Leases (which replaces earlier standard Ind AS 17) using the modified retrospective method, the effect of which is recognised at the date of initial application (i.e. April 1, 2019) and has been stated under transition difference in Other equity.

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the present value of future lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the period of lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of these leases.

In the previous year under Ind AS 17 - Rental expense pertaining to properties taken on operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(x) Foreign currencies

The financial statements of the Group are presented in Indian Rupees (₹), which is the Group's functional currency. In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Under previous GAAP, paragraph 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provided an accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences in respect of items other than those related to acquisition of depreciable assets, could be accumulated in a foreign currency monetary item translation difference account ('FCMITDR'), and amortised over the balance period of such long term monetary item. Ind AS provides an option to Company to continue the above accounting treatment in respect of long term foreign currency items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS reporting period. The Company has elected this option.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in Foreign Currency Translation Reserve (FCTR) through other comprehensive income.

(xi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

(xii) Employee benefits

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

Defined contribution plans

The Group's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

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 by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments, settlements);
- Net interest expense or income; and
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service cost. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the group in respect of services provided by employees upto the reporting date.

(xiii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in Note no 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share options outstanding account in Reserves & Surplus.

(xiv) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. In the previous year, Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(xv) Property, plant and equipment

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at Fair value based on valuations by external independent valuers at sufficient regularity. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable expenses for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	20 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 15 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years
Vehicles (other than those mentioned below)	8 years
Motor Vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

The tangible assets of the overseas operations have also been depreciated based on useful life, estimated by the respective managements on a straight line basis.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The assets of the overseas operations have also been depreciated based on useful lives, estimated by the respective managements on a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

(xvi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The intangible assets of the overseas operations have also been depreciated based on useful lives, estimated by the respective managements on a straight line basis. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. .

Category of Asset	Estimated useful lives
Computer Software and website development costs	3 years
Trademarks	10 years
Customer relationship	3 years
Management contracts	1-10 years

The intangible assets of the overseas operations have also been amortised based on useful life, estimated by the respective managements on a straight line basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of profit or loss when the asset is derecognized.

(xvii) Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

(xviii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on a moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xix) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xx) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xxi) Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

  (i) to receive cash or another financial asset from another entity; or

  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Group.

(d) a contract that will or may be settled in the Group's own equity instruments and is:

   (i) a non-derivative for which the Group is or may be obliged to receive a variable number of the entity's own equity instruments; or

   (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as "fair value through profit or loss (FVTPL)" on initial recognition):

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Group has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Group's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in the statement of profit or loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in the statement of profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

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(xxii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

(b) a contract that will or may be settled in the Group's own equity instruments and is:

- (i) a non-derivative for which the Group is or may be obliged to deliver a variable number of the Group's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Group offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Group's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been incurred principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of cost of an asset is included under 'Finance cost'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note No. 51 and 52.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in the statement of profit or loss.

(xxiii) Cash flow statements

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.

Cash flows from operating activities are reported using the indirect method, whereby profit before 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 Group are segregated based on the available information.

(xxiv) Earnings per share

Basic earnings per share is computed by dividing the profit after tax 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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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. 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.

(xxv) 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.

(xxvi) Operating cycle

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

(xxvii) Net investment hedge:

The Group hedges certain net investment in foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

2(b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. Share based payments

The Group initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed under Note No. 26.

b. Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed under Note No. 50.

c. Intangible assets under development

The Group capitalizes intangibles underdevelopment in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. Life time Expected credit losses

Life time expected credit loss allowance is computed based on historical credit loss experience and adjusted for forward-looking information on collection .

e. **Estimation towards revenue deferred due to uncertainty of collection**

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

f. **Significant Financing Component**

Given the nature of vacation ownership business, the Group has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Group charges appropriate interest to the members.

g. **Customer unexercised rights**

The Group considers the expected customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of customer utilisation of membership.

h. **Litigation for taxation matters**

The Group is subject to tax litigation, the outcome of which is subject to many uncertainties inherent in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

i. **Fair valuation of Freehold land**

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient regularity.

j. **Leases**

The Company makes an assessment on the expected lease term on a lease-by lease basis as per the contract period. Further, discount rate is based on the incremental borrowing rate of the company at the time of commencement of lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3 Changes in significant accounting policies

A) Leases

This is the first set of the Group's annual financial statements in which Ind AS 116 Leases have been applied. Changes to significant accounting policies are described below:

The Group has applied the modified retrospective approach as per para C5(b) of Ind AS 116 to existing Leases as on April 1, 2019 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2019 in accordance with para C7 of Ind AS 116 as an adjustment to the Transition Difference under other equity. This has resulted in recognising a right-of-use asset of ₹ 139,084.89 lakhs and a corresponding lease liability of ₹ 154,988.18 lakhs by adjusting Transition Difference (other equity) net of taxes of ₹ 12,078.67 lakhs as at April 1, 2019 (This is further adjusted for the effect of change in tax rate) b) Due to the application of Ind AS 116 a lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to these leases has changed as Ind AS 116 replaced the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities.

The following tables summarise the impact of adopting Ind AS 116 on the statement of profit and loss for the year ended March 31, 2020:

All amounts are in ₹ lakhs unless otherwise stated

Sl. No.	Particulars	Year ended March 31, 2020			Year ended March 31, 2019
		As reported	**Impact of Ind AS 116**	**Amount without adoption of Ind AS 116**	Amount without adoption of Ind AS 116
1.	**Profit prior to Rent, Finance cost, Depreciation and amortisation expense and taxes**	**48,364.16**	**43.89**	**48,408.05**	47,700.90
2.	Less : Rent	**(5,571.78)**	**(19,226.86)**	**(24,798.64)**	(25,403.10)
3.	**Profit prior to Finance cost, Depreciation and amortisation expense and taxes**	**42,792.38**	**(19,182.97)**	**23,609.41**	22,297.80
4.	Less: Finance cost	**(7,947.41)**	**6,316.55**	**(1,630.86)**	(2,358.80)
5.	Less: Depreciation and amortisation expense	**(24,712.35)**	**14,890.30**	**(9,822.05)**	(10,134.30)
6.	**Profit before tax (3-4-5)**	**10,132.62**	**2,023.88**	**12,156.50**	9,804.70

B) Revaluation of freehold land (Change in previous year)

As at September 30, 2018, the Group has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. Any revaluation surplus is recorded in OCI and credited to Revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders.

Particulars	(₹ in lakhs)
Revaluation surplus as at March 31, 2019	103,587.49
Deferred tax on the above revaluation	(23,878.64)
As at March 31, 2019	**79,708.85**

The carrying amount of freehold land as at March 31, 2019 under cost and revaluation model are given below:

Block of asset	Revaluation Model (₹ in lakhs)	Cost Model (₹ in lakhs)
Freehold Land	127,001.21	23,672.65

C) Adoption of Ind AS 115 - Revenue from Contracts with Customers (Change in previous year)

The Group had applied Ind AS 115 Revenue from Contracts with Customers. Changes to significant accounting policies are described below;

The Group has applied the modified retrospective approach as per para C3(b) of Ind AS 115 to contracts that were not completed as on April 1, 2018 and the cumulative effect of applying this standard is recognised at the date of initial application i.e. April 1, 2018 in accordance with para C7 of Ind AS 115 as an adjustment to the other equity. The transitional adjustment of ₹ 121,267.07 lakhs (net of deferred tax) has been stated as Transition Difference under other equity based on the requirements of the Ind AS 115. b) Due to the application of Ind AS 115, membership fees and incremental cost to obtain and/or fulfill a contract with a customer, as applicable, is recognised over the effective membership period. The previous standard permitted the upfront recognition of the non refundable admission fees on sale of membership.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 4 - Property Plant and Equipment

	Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Block**								
	Balance as at April 1, 2019	127,001.21	96,119.10	156.09	43,126.56	2,347.94	28,355.45	1,303.58	298,409.93
	Additions	377.60	5,651.55	-	2,892.99	146.05	1,535.63	63.63	10,667.45
	Disposals	(350.26)	(14.94)	-	(247.01)	(27.43)	(181.01)	(45.15)	(865.80)
	Others (including reclassifications)	-	-	-	(74.64)	6.43	68.21	-	-
	Effect of foreign currency exchange differences	259.73	1,151.26	-	1,339.73	0.15	832.19	-	3,583.06
	Balance as at March 31, 2020	**127,288.28**	**102,906.97**	**156.09**	**47,037.63**	**2,473.14**	**30,610.47**	**1,322.06**	**311,794.64**
II.	**Accumulated depreciation**								
	Balance as at April 1, 2019	-	17,156.20	156.09	27,751.48	2,061.41	19,157.95	702.92	66,986.05
	Depreciation for the year	-	2,373.57	-	4,059.39	142.39	1,947.54	143.45	8,666.34
	Eliminated on disposal of assets	-	(4.57)	-	(161.84)	(23.61)	(75.11)	(32.39)	(297.52)
	Others (including reclassifications)	-	-	-	(14.62)	1.55	13.07	-	-
	Effect of foreign currency exchange differences	-	369.57	-	1,013.46	-	497.33	-	1,880.36
	Balance as at March 31, 2020	**-**	**19,894.77**	**156.09**	**32,647.87**	**2,181.74**	**21,540.78**	**813.98**	**77,235.23**
	Net block (I-II)								
	Balance as at March 31, 2020	**127,288.28**	**83,012.20**	**-**	**14,389.76**	**291.40**	**9,069.69**	**508.08**	**234,559.41**
	Balance as at March 31, 2019	127,001.21	78,962.90	-	15,375.08	286.53	9,197.50	600.66	231,423.88

	Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	Gross Block								
	Balance as at April 1, 2018	23,712.47	96,195.65	156.09	42,599.06	2,491.61	27,563.52	1,253.43	193,971.83
	Additions	644.09	756.24	-	2,864.63	143.98	1,471.22	139.45	6,019.61
	Disposals	(546.60)	(54.75)	-	(1,608.21)	(286.02)	(265.87)	(89.56)	(2,851.01)
	Revaluation (refer note 3B)	103,328.56	-	-	-	-	-	-	103,328.56
	Others (including reclassifications)	-	(0.02)	-	0.66	(1.45)	0.55	0.26	-
	Effect of foreign currency exchange differences	(137.31)	(778.02)	-	(729.58)	(0.18)	(413.97)	-	(2,059.06)
	Balance as at March 31, 2019	127,001.21	96,119.10	156.09	43,126.56	2,347.94	28,355.45	1,303.58	298,409.93
II.	Accumulated depreciation								
	Balance as at April 1, 2018	-	15,020.36	156.09	25,835.68	2,200.00	17,661.11	632.11	61,505.35
	Depreciation for the year	-	2,359.05	-	4,024.03	147.33	1,997.46	146.89	8,674.76
	Eliminated on disposal of assets	-	(10.76)	-	(1,506.41)	(284.85)	(249.12)	(76.28)	(2,127.42)
	Others (including reclassifications)	-	-	-	1.60	(1.90)	0.10	0.20	-
	Effect of foreign currency exchange differences	-	(212.45)	-	(603.42)	0.83	(251.62)	-	(1,066.64)
	Balance as at March 31, 2019	-	17,156.20	156.09	27,751.48	2,061.41	19,157.95	702.92	66,986.05
	Net block (I-II)								
	Balance as at March 31, 2019	127,001.21	78,962.90	-	15,375.08	286.53	9,197.50	600.66	231,423.88
	Balance as at March 31, 2018	23,712.47	81,175.29	-	16,763.38	291.61	9,902.41	621.32	132,466.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 5 - Right of Use Asset

	Description of Assets	Right of Use Asset
I.	**Gross Block**	
	Balance as at April 1, 2019 (On Transition to Ind AS 116)*	139,084.89
	Additions	9,034.93
	Deletions	(453.46)
	Effect of foreign currency exchange differences	6,814.33
	Balance as at March 31, 2020	**154,480.69**
II.	**Accumulated depreciation**	
	Balance as at April 1, 2019	-
	Amortisation expense for the year	14,890.30
	Effect of foreign currency exchange differences	511.15
	Balance as at March 31, 2020	**15,401.45**
	Net block (I-II)	
	Balance as at March 31, 2020 (refer note 3(A) and 48)	**139,079.24**
	Balance as at March 31, 2019	-

* pertains to leases of resorts and office properties

Note No. 6 - Goodwill

	Particulars	As at March 31, 2020	As at March 31, 2019
I.	**Cost**		
	Balance at beginning of the year	**9,509.19**	9,784.23
	Effect of foreign currency exchange differences	**487.83**	(275.04)
	Balance at end of the year	**9,997.02**	9,509.19
II.	**Accumulated impairment losses**	**-**	-
III.	**Net carrying amount (I-II)**	**9,997.02**	9,509.19

The Goodwill is tested for impairment and accordingly no impairment charges were identified for the year ended March 31, 2020 and March 31, 2019.

The Goodwill arises from the following Group's Cash Generating Units (CGU):

Particulars	March 31, 2020	March 31, 2019
Mahindra Holidays & Resorts India Limited	**2,534.29**	2,534.29
Holiday Club Resorts Oy	**7,462.73**	6,974.90
Total	**9,997.02**	9,509.19

The recoverable amount of a CGU is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. Cash flows beyond 5 years is estimated by capitalizing the future maintainable cash flows by an appropriate capitalization rate and then discounted using post-tax discount rate.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering management approved financial budgets/forecasts. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	March 31, 2020	March 31, 2019
Post tax discount rate	**12%**	12%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 7 - Other Intangible Assets

Description of Assets	Computer Software & Website development cost	Trademarks	Management Contracts	Customer Relationships	Total
I. Gross Block					
Balance as at April 1, 2019	11,423.49	1,335.06	969.68	209.57	13,937.80
Additions	638.42	-	-	-	638.42
Effect of foreign currency exchange differences	317.91	94.78	68.83	14.88	496.40
Balance as at March 31, 2020	**12,379.82**	**1,429.84**	**1,038.51**	**224.45**	**15,072.62**
II. Accumulated depreciation					
Balance as at April 1, 2019	9,852.43	478.40	449.47	209.57	10,989.87
Amortization expense for the year	937.22	136.24	82.25	-	1,155.71
Effect of foreign currency exchange differences	254.59	40.70	36.47	14.88	346.64
Balance as at March 31, 2020	**11,044.24**	**655.34**	**568.19**	**224.45**	**12,492.22**
Net block (I-II)					
Balance as at March 31, 2020	**1,335.58**	**774.50**	**470.32**	**-**	**2,580.40**
Balance as at March 31, 2019	1,571.06	856.66	520.21	-	2,947.93

Description of Assets	Computer Software & Website development cost	Trademarks	Management Contracts	Customer Relationships	Total
I. Gross Block					
Balance as at April 1, 2018	10,778.88	1,387.35	1,007.65	217.78	13,391.66
Additions	786.40	-	-	-	786.40
Effect of foreign currency exchange differences	(141.79)	(52.29)	(37.97)	(8.21)	(240.26)
Balance as at March 31, 2019	11,423.49	1,335.06	969.68	209.57	13,937.80
II. Accumulated depreciation					
Balance as at April 1, 2018	8,777.12	358.40	382.83	187.53	9,705.88
Amortization expense for the year	1,205.59	139.13	84.49	30.33	1,459.54
Effect of foreign currency exchange differences	(130.28)	(19.13)	(17.85)	(8.29)	(175.55)
Balance as at March 31, 2019	9,852.43	478.40	449.47	209.57	10,989.87
Net block (I-II)					
Balance as at March 31, 2019	1,571.06	856.66	520.21	-	2,947.93
Balance as at March 31, 2018	2,001.76	1,028.95	624.82	30.25	3,685.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 8 - Non-Current Investments

Particulars	Face value	Currency	As at March 31, 2020		As at March 31, 2019	
			Quantity	Amount	Quantity	Amount
Equity accounted investees						
Unquoted Investments (fully paid)						
In Equity Instruments of Associates						
Kiinteisto Oy Seniori Saimaa	0.5	EUR	950,000	128.85	950,000	120.31
In Equity Instruments of Joint ventures						
Tropiikin Rantasauna Oy	25	EUR	50	54.03	50	48.83
				182.88		169.14
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	₹	1	-	1	-
Mahindra Hotels and Resorts Limited (cost of investment ₹ 1/-)	10	₹	20,011	-	20,011	-
Kiinteisto Oy Katinkullan Pallohalli	0.21	EUR	6,793	447.58	6,793	314.58
Kiinteistö Oy Katin Golf		EUR	151	317.46	151	296.42
Elisa Communications A-shares	0.5	EUR	300	2.96	300	2.76
Mitsenaiset Kauppiaat Oy	204	EUR	2	0.83	2	0.78
Nreach Online Services Private Limited	10	₹	5,738	300.00	5,738	300.00
In Preference Instruments of other entities						
Guestline Hospitality Management and Developement Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each)	10	₹	25,000	88.96	25,000	83.23
				1,157.79		997.77
Total				1,340.67		1,166.91

Note: The preference shares of Guestline Hospitality Management and Developement Services Limited can 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. January 14, 2003 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.

Note No. 9 - Non-Current Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	467.73	790.35
Unsecured, considered good	49,438.05	56,301.43
	49,905.78	57,091.78

Note No. 10 - Non-Current Loans (Unsecured, Considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	4,426.14	4,673.09
	4,426.14	4,673.09

All amounts are in ₹ lakhs unless otherwise stated

Note No. 11 - Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost		
Bank Deposit with more than 12 months maturity	**-**	26.56
Other Deposits*	**7,500.00**	-
	7,500.00	26.56

* It consists of ₹ 6,500 lakhs deposit with related party

Note No. 12 - Deferred Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment (excluding land)	**6,957.90**	8,881.58
Deferred Acquisition Cost	**17,956.83**	24,698.64
Fair valuation of financial assets	**1,382.83**	1,098.95
Intangible Assets	**(21.47)**	(13.50)
Inventory	**1,066.64**	1,000.93
Other	**51.28**	(17.16)
Derivatives	**9.38**	5.75
Tax effect of items constituting deferred tax assets		
Property, Plant and Equipment	**173.19**	173.19
Lease Arrangements	**3,926.84**	-
Employee Benefits	**308.00**	360.05
Deferred Revenue	**71,498.38**	95,292.70
Receivables / Revenue derecognition	**1,472.53**	1,672.18
MAT Credit Entitlement	**-**	2,197.00
Provisions	**41.78**	58.01
Fair valuation of financial assets	**10.67**	22.73
Unabsorbed Depreciation	**782.02**	754.59
Unabsorbed Business Losses	**717.20**	1,616.49
Others	**732.36**	826.24
Net Deferred Tax Asset	**52,259.58**	67,317.99

Note: Deferred tax asset has been recognized on the carry forward unabsorbed depreciation and unabsorbed business loss to the extent that it is probable that future taxable profits will be available.

Note No. 13 - Deferred Tax Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Fair valuation of land	**23,824.34**	23,824.34
Deferred Tax Liabilities	**23,824.34**	23,824.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 14 - Other Non-Current Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income tax	**18,665.89**	16,902.80
(Net of provisions up to the reporting date)		
	18,665.89	16,902.80

Note No. 15 - Non-Current Deferred Acquisition Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Acquisition Cost (Refer note 2 (a)(viii))	**66,516.39**	64,283.21
	66,516.39	64,283.21

Note No. 16 - Other Non-Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	**2,886.02**	3,307.90
Prepayments	**137.12**	389.04
Duty paid under protests	**263.93**	615.46
	3,287.07	4,312.40

Note No. 17 - Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2020	As at March 31, 2019
Vacation Ownership Units :		
Vacation ownership weeks (including vacation ownership villas)	**44,907.17**	49,033.03
Cost of associated land	**4,360.91**	4,084.66
Construction work in progress	**2,369.07**	1,086.32
Food and beverages	**832.80**	801.95
Operating supplies	**2,738.72**	1,946.40
	55,208.67	56,952.35
Cost of food and beverages recognized as an expense during the year (Refer Note 45(b))	**10,823.38**	10,779.58
Cost of vacation ownership weeks (including vacation ownership villas) recognized as an expense during the year (Refer Note 45(a))	**37,383.01**	30,850.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 18 - Current Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
HDFC Banking and PSU Debt Fund Direct Growth	**8,368,759**	**1,408.09**	8,368,759	1,275.17
HDFC Banking and PSU Debt Fund Regular Growth	**8,407,363**	**1,388.99**	8,407,363	1,263.58
IDFC Corporate Bond Fund Regular Plan Growth	**14,043,341**	**1,935.35**	14,043,341	1,788.04
IDFC Corporate Bond Fund Direct Plan Growth	**34,982,465**	**4,884.46**	34,982,465	4,498.88
Birla Sun Life Floating Rate Fund-Long Term Plan Growth	**966,662**	**2,399.08**	966,662	2,220.75
Birla Sun Life Floating Rate Fund-Long Term Plan Growth Direct	**948,356**	**2,392.66**	948,356	2,209.94
HDFC Floating Rate Income Fund Short Term Plan Wholesale Growth	**6,936,919**	**2,435.73**	6,936,919	2,254.71
HDFC Floating Rate Income Fund Short Term Plan Wholesale Direct Plan Growth	**6,696,488**	**2,369.38**	6,696,488	2,189.99
ICICI Prudential Flexible Income Growth	**269,270**	**1,043.02**	269,270	965.95
ICICI Prudential Flexible Income Direct Plan Growth	**609,780**	**2,380.40**	609,780	2,202.34
Mahindra Liquid Fund - Dir - Growth	**505,763**	**6,517.67**	146,170	1,770.73
Kotak Liquid Fund - Dir - Growth	**108,150**	**4,848.40**	108,151	4,092.77
Kotak Treasury Advantage Fund Regular Plan Growth	**7,506,213**	**2,409.01**	7,506,214	2,249.73
Kotak Treasury Advantage Fund Regular Direct Plan Growth	**7,202,341**	**2,366.24**	7,202,341	2,200.50
Mahindra Ultra Short Term Yojana – Direct Growth	**50,000**	**516.34**	-	-
Aggregate book value of unquoted investments	**97,601,870**	**39,294.82**	97,192,279	31,183.08

Note No. 19 - Current Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	**2,659.97**	4,434.78
Unsecured, considered good	**121,838.62**	106,774.73
Unsecured, credit impaired	**1,025.94**	919.23
Less: Impairment loss allowance	**(1,025.94)**	(919.23)
	124,498.59	111,209.51

Note No. 20 - Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks	**8,529.69**	5,889.12
Cash on hand	**47.32**	123.61
	8,577.01	6,012.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 21 - Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks (unpaid dividend)	8.30	9.88
Bank Deposits with maturity greater than three months and less than twelve months	19,433.02	1,917.67
	19,441.32	1,927.55

Note No. 22 - Loans (Unsecured, Considered good)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and advances to employees	25.13	21.96
	25.13	21.96

Note No. 23 - Other Current Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets at amortised cost		
Other receivables	653.10	532.00
Interest accrued but not due	639.86	933.94
Other Deposits*	12,890.00	25,900.00
	14,182.96	27,365.94

* It consists of ₹ 1,590 lakhs deposit with related party

Note No. 24 - Deferred Acquisition Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Acquisition Cost (Refer note 2 (a)(viii))	4,831.47	4,559.42
	4,831.47	4,559.42

Note No. 25 - Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
With Government authorities (excluding income taxes)	4,415.47	2,996.47
Prepayments	1,896.03	2,855.67
Advance to suppliers:		
Considered good *	1,108.29	795.00
Considered doubtful *	250.00	250.00
Less: Provision for doubtful advances	(250.00)	(250.00)
	7,419.79	6,647.14

* Both include advances given to related parties - ₹ 250 lakhs

All amounts are in ₹ lakhs unless otherwise stated

Note No. 26 - Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**150,000,000**	**15,000.00**	150,000,000	15,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**133,553,784**	**13,355.38**	133,553,784	13,355.38
Treasury Shares (par value)	**(630,040)**	**(63.00)**	(654,040)	(65.40)
	132,923,744	**13,292.38**	132,899,744	13,289.98

Treasury shares represents equity shares of ₹ 10/- each fully paid up allotted to Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

26 a) Terms / rights attached to equity shares:

i) 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.

ii) Repayment of capital will be in proportion to the number of equity shares held.

iii) The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

iv) With the adoption of new revenue recognition policy in accordance with Ind AS 115 in the previous year, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company has sought clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA.

26 b) Shares in the Company held by Holding Company

Name of shareholder	**No. of Shares**	**% held as at March 31, 2020**	No. of Shares	% held as at March 31, 2019
Mahindra & Mahindra Limited (Holding Company)	**89,890,615**	**67.31%**	89,890,615	67.31%

26 c) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	**No. of Shares**	**% held as at March 31, 2020**	No. of Shares	% held as at March 31, 2019
Mahindra & Mahindra Limited	**89,890,615**	**67.31%**	89,890,615	67.31%
HDFC Trustee Company Limited	**11,461,397**	**8.58%**	11,045,929	8.27%

26 d) The reconciliation of the number of shares outstanding as at March 31, 2020 and March 31, 2019 is set out below:-

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	**In ₹ lakhs**	No. of Shares	In ₹ lakhs
Number of shares at the beginning	**132,899,744**	**13,289.98**	132,759,494	13,275.95
Add: Shares issued on exercise of employee stock options	**24,000**	**2.40**	140,250	14.03
Number of shares at the end	**132,923,744**	**13,292.38**	132,899,744	13,289.98

The Board of Directors at its meeting held on May 19, 2017 had approved issue of bonus shares in the proportion of 1:2, i.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares which was allotted on July 12, 2017 on approval being received in the shareholder's meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 26 - Equity Share Capital (Contd.)

26 e) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

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

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

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercisable in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	Minimum of 25 and a maximum of all the options vested but not exercised till that date.
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006)	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006)	21/02/2012	323.00	215.33	215.33	4	186,500			
Grant VIII (ESOS 2006)	31/01/2013	323.00	215.33	215.33	4	130,000			
Grant IX (ESOS 2006)	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	176.00	176.00	4	620,000			refer note (b) below
Grant II (ESOS 2014)	27/10/2015	365.00	243.33	243.33	4	110,000			
Grant III (ESOS 2014)	18/02/2016	370.00	246.67	246.67	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	270.67	270.67	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	N.A.	410.00	4	60,000			
Grant VI (ESOS 2014)	15/05/2019	234.00	N.A.	234.00	4	145,000			
Grant VII (ESOS 2014)	31/07/2019	226.00	N.A.	226.00	4	45,000			
Grant VIII (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	60,000			
Grant IX (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	300,000			
Grant X (ESOS 2014)	01/02/2020	238.00	N.A.	238.00	4	300,000			

Notes:

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

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

All amounts are in ₹ lakhs unless otherwise stated

Note No. 26 - Equity Share Capital (Contd.)

iv) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on April 1, 2019	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on March 31, 2020	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006	Closed							
Grant II (ESOS 2006)	30/03/2007	Closed							
Grant III (ESOS 2006)	11/01/2007	Closed							
Grant V (ESOS 2006)	11/01/2008	Closed							
Grant VI (ESOS 2006)	21/02/2012	Closed							
Grant VII (ESOS 2006)	21/02/2012	20,624	-	-	-	-	-	20,624	20,624
Grant VIII (ESOS 2006)	31/01/2013	132,750	-	-	-	24,000	-	108,750	108,750
Grant IX (ESOS 2006)	29/01/2014	Closed							
Grant I (ESOS 2014)	22/01/2015	600,000	-	-	-	-	-	600,000	600,000
Grant II (ESOS 2014)	27/10/2015	165,000	-	-	30,000	-	45,000	120,000	120,000
Grant III (ESOS 2014)	18/02/2016	150,000	-	-	75,000	-	-	150,000	150,000
Grant IV (ESOS 2014)	31/01/2017	60,000	-	-	15,000	-	-	60,000	45,000
Grant V (ESOS 2014)	02/08/2017	60,000	-	-	15,000	-	30,000	30,000	15,000
Grant VI (ESOS 2014)	15/05/2019	-	145,000	-	-	-	-	145,000	-
Grant VII (ESOS 2014)	31/07/2019	-	45,000	-	-	-	45,000	-	-
Grant VIII (ESOS 2014)	04/11/2019	-	60,000	-	-	-	-	60,000	-
Grant IX (ESOS 2014)	04/11/2019	-	300,000	-	-	-	-	300,000	-
Grant X (ESOS 2014)	01/02/2020	-	300,000	-	-	-	-	300,000	-
Total		**1,188,374**	**850,000**	**-**	**135,000**	**24,000**	**120,000**	**1,894,374**	**1,059,374**

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. February 21, 2012 is ₹ 129.93 for Grant VII (ESOS 2006), January 31, 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), January 22, 2015 is ₹ 97.24 for Grant I (ESOS 2014), October 27, 2015 is ₹ 158.85 for Grant II (ESOS 2014), February 18, 2016 is ₹ 126.91 for Grant III (ESOS 2014), January 31, 2017 is ₹ 150.35 for Grant IV (ESOS 2014), August 2, 2017 is ₹ 161.83 for Grant V (ESOS 2014), May 15, 2019 is ₹ 82.36 for Grant VI (ESOS 2014), July 31, 2019 is ₹ 84.92 for Grant VII (ESOS 2014), November 4, 2019 is ₹ 85.97 for Grant VIII (ESOS 2014), November 4, 2019 is ₹ 85.97 for Grant IX (ESOS 2014) and February 1, 2020 is ₹ 85.97 for Grant X (ESOS 2014).

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

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	₹4.00
Grant VIII (ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I (ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%
Grant VI (ESOS 2014)	15/05/2019	6.83%	3.00	38%	0.00%
Grant VII (ESOS 2014)	31/07/2019	6.05%	3.00	38%	0.00%
Grant VIII (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0.00%
Grant IX (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0.00%
Grant X (ESOS 2014)	01/02/2020	5.74%	3.00	38%	0.00%

The weighted average share price at the date of exercise for options was ₹ 237.69 per share (March 31, 2019 ₹ 320.09 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 5.94 years (March 31, 2019 2.84 years)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 27 - Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	**10,525.63**	10,381.68
Securities premium	**10,361.74**	10,312.39
Share options outstanding account	**1,475.49**	1,265.90
Retained earnings	**40,213.50**	34,959.45
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
FCMITDR	**(296.16)**	(450.97)
Reserves & Surplus	**62,470.75**	56,659.00
Revaluation Reserve	**78,700.02**	78,700.02
Foreign Currency Translation Reserve	**1,219.63**	869.19
Other Comprehensive Income-Actuarial Loss	**(147.89)**	(93.28)
Transition difference	**(150,904.10)**	(121,267.67)
	(8,661.59)	14,867.26

Notes :

a) **General reserve:** The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium:** Securities premium is credited when shares are issued at premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses, etc.

c) **Share Options Outstanding Account:** The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital Reserve:** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital Redemption Reserve:** The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

f) **Foreign Currency Monetary Item Translation Difference Reserve:** It represents the net translation differences on external commercial borrowings which will be amortised over the balance period of the loan.

g) **Revaluation Reserve:** The revaluation reserve is credited on account of revaluation of Freehold land. It is not available for distribution as dividend.

h) **Foreign Currency Translation Reserve:** Exchange variation on translating net assets of Holiday Club Resorts Oy, HCR Management Oy and Net Gain/(loss) on Net Investment hedge in Foreign subsidiaries is accounted under this reserve.

i) **Transition Difference:** The Cumulative effect of applying Ind AS 115 Revenue from Contract with Customers, Ind AS 116 Leases and change in income tax rate resulting in re-measurement of accumulated deferred tax balances on the effect of applying Ind AS 115 and Ind AS 116 is recognized as an adjustment to other equity, by separately disclosing it in Transition Difference. Subsequent impact of unwinding of transition adjustments of Ind AS 115 and Ind AS 116 is included in retained earnings.

Note No. 28 - Non Controlling Interest

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	**2,937.56**	2,735.59
Add: Share of profit/(loss) for the year	**(220.35)**	684.37
Less: Changes in NCI stake	**(1,784.83)**	(482.40)
Balance at end of year	**932.38**	2,937.56

All amounts are in ₹ lakhs unless otherwise stated

Note No. 29 - Borrowings- Lease Liabilities (At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liabilities	142,705.19	-
	142,705.19	-

Note No. 30 - Non-current borrowings (At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings		
Term Loans (refer note 1 below)		
From Banks	11,733.20	13,038.70
From Others	3,802.36	3,332.92
Unsecured Borrowings		
Term Loans		
From Banks (refer note 2 below)	17,132.09	37,625.77
From Others (refer note 3 below)	-	2,716.70
	32,667.65	56,714.09

Notes:

Term Loans are availed by subsidiaries.

1) Term loans from banks and others are secured by a charge on unsold vacation ownership inventory weeks, villas inventory weeks and mortgage/hypothecation of specific properties. These loans are repayable between FY 2020-21 to FY 2038-39 and carry an interest rate pegged to EURIBOR/MCLR/BIBOR.

2) Term loans from banks are repayable between FY 2020-21 to FY 2023-2024 and carry an interest rate pegged to EURIBOR.

3) Includes term loan from RCI amounting to ₹ 2,909.55 lakhs (Previous year ₹ 7,762.00 lakhs) on which interest has been waived for the current year (and previous year) and is repayable on August 14, 2020. Also, refer note no 37 - Current maturities of long term borrowings.

Note No. 31 - Other Financial Liabilities (At amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Retention Money	3,509.03	4,637.64
	3,509.03	4,637.64

Note No. 32 - Non-Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits - Compensated absences	709.37	578.68
	709.37	578.68

Note No. 33 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability -Deferred Revenue - Vacation Ownership	499,640.79	476,633.26
Contract Liability -Deferred Revenue - HCRO	2,941.67	2,958.02
	502,582.46	479,591.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 34 - Current Borrowings (Secured)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash credit from banks	-	1,772.41
	-	1,772.41

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

Note No. 35 - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	124.92	61.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,747.60	28,428.62
	30,872.52	28,489.80

Micro and small enterprises have been identified by the Company on the basis of the information available with the company.

Note No. 36 - Lease Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	14,584.29	-
	14,584.29	-

Note No. 37 - Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings	53,489.08	24,550.91
Creditors for capital supplies/services	902.36	696.56
Commission payable to non-whole time directors	129.00	105.00
Unpaid Dividends *	8.30	9.88
Employee benefits payable	10,349.17	10,374.38
Derivatives (Interest rate swaps)	151.98	266.88
Obligation to acquire non controlling interest	1,181.28	1,694.53
Other payables	-	4,767.55
	66,211.17	42,465.69

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2020.

Note No. 38 - Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity (Refer note 50)	77.18	97.72
- Compensated absences	529.72	451.69
- Others	-	15.77
	606.90	565.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 39 - Other Current Liabilities - Contract Liability - Deferred Revenue

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability -Deferred Revenue - Vacation Ownership	37,496.69	34,111.51
Contract Liability -Deferred Revenue - Annual subscription fee	14,736.18	13,187.00
Contract Liability -Deferred Revenue - HCRO	8,503.75	7,467.94
	60,736.62	54,766.45

Note No. 40 - Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Taxes (excluding income taxes) and other statutory dues	4,005.91	3,759.72
	4,005.91	3,759.72

Note No. 41 - Revenue from Operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customers		
Vacation ownership income	34,670.75	31,546.67
Vacation ownership weeks income	33,390.09	40,790.60
Vacation ownership weeks in villas income	28,501.03	14,405.73
Income from resorts :		
Room rentals	31,806.99	31,171.20
Other rentals	1,580.31	1,500.64
Club, sport & spa	14,375.38	13,692.09
Resort management	5,583.00	5,439.42
Events, conferences and other activities	3,610.93	3,815.71
Food and beverages	30,317.62	30,235.01
Wine and liquor	5,194.38	5,583.79
Others	5,038.88	4,956.72
Annual subscription fee	29,130.08	26,139.56
	223,199.44	209,277.14
Other operating revenue		
Interest income on instalment sales	10,098.94	11,441.61
Miscellaneous income	3,888.29	3,180.61
	13,987.23	14,622.22
	237,186.67	223,899.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 42 - Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on Financial Assets at Amortised Cost		
On deposits with bank	**958.66**	266.58
On other deposits	**1,872.54**	1,062.01
On others	**210.08**	398.06
Dividend Income		
Dividend income from current investments	**-**	31.84
Profit on sale of property, plant and equipment	**67.72**	275.00
Foreign exchange gain	**22.10**	445.97
Net gain arising on financial assets designated as at FVTPL	**2,697.31**	2,940.10
Net gain arising on derivative instruments	**-**	98.49
Gain due to change in lease arrangements	**43.27**	-
Others	**56.21**	148.64
	5,927.89	5,666.69

Note No. 43 - Employee Benefits Expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus	**49,017.04**	47,863.57
Contribution to Provident and other funds	**5,354.68**	5,412.78
Equity-settled share-based payments	**209.58**	148.45
Staff welfare expenses	**3,903.98**	4,005.67
	58,485.28	57,430.47

Note No. 44 - Finance Costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Lease Liabilities	**6,316.55**	-
Interest on borrowings	**2,264.41**	2,853.93
Changes in obligation to acquire non-controlling interest	**(633.55)**	(495.13)
	7,947.41	2,358.80

Note No. 45 (a) - Cost of vacation ownership weeks

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Vacation ownership weeks, vacation ownership weeks in villas including construction work in progress and cost of associated land:				
Opening stock	**54,203.99**		46,179.82	
Add: Purchases	**34,816.17**		38,874.36	
Less: Closing stock	**51,637.15**		54,203.99	
		37,383.01		30,850.19
		37,383.01		30,850.19

All amounts are in ₹ lakhs unless otherwise stated

Note No. 45 (b) - Other Expenses

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Cost of food and beverages consumed				
Opening stock	**801.95**		811.36	
Add: Purchases	**10,854.23**		10,770.17	
Less: Closing stock	**832.80**		801.95	
		10,823.38		10,779.58
Operating supplies		**4,991.20**		4,837.43
Power & Fuel		**7,789.83**		8,307.17
Rent including lease rentals		**5,571.78**		25,403.10
Rates and taxes		**1,869.33**		1,681.41
Insurance		**729.72**		609.43
Repairs and maintenance				
Buildings and Resorts		**8,920.85**		8,937.54
Plant and equipment		**933.83**		895.14
Others		**3,055.76**		3,319.99
Advertisement		**753.22**		652.63
Sales promotion		**22,510.84**		21,576.04
Travelling and Conveyance		**3,179.13**		3,195.36
Commission and other customer offers		**3,499.39**		2,281.13
Provision for doubtful trade receivables/bad debts written off		**299.77**		438.25
Loss on foreign currency transactions		**2,514.07**		253.69
Auditor's remuneration and out-of-pocket expenses*				
For Statutory Audit		**289.56**		256.44
For Other services		**106.38**		54.60
For reimbursement of expenses		**2.96**		3.27
Directors fees		**45.29**		49.22
Commission to non whole time directors		**129.00**		105.00
Legal and other professional costs		**3,451.63**		3,184.22
Communication		**1,306.90**		1,438.64
Software charges		**658.66**		521.94
Housekeeping & Laundry		**5,131.13**		4,804.80
Service charges		**8,274.89**		7,798.48
Bank charges		**565.90**		1,653.94
Corporate social responsibility expenditure (CSR) (Refer note 53)		**365.15**		411.60
Loss on sale of property, plant and equipment		**108.80**		167.15
Miscellaneous expenses		**6,577.19**		5,378.68
		104,455.54		118,995.87

* Includes payments made to auditor's of subsidiary companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 46 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
In respect of current year	**2,534.04**	2,455.31
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**1,051.89**	1,392.20
One time impact on Tax expense (Current & Deferred) due to change in tax rate	**19,972.94**	-
Total income tax expense	**23,558.87**	3,847.51

The Special Bench of the Income Tax Appellate Tribunal (ITAT) has, after considering the relevant facts pertaining to the Group, by its order dated May 26, 2010 upheld the contention of the Group that in the Group's case 60% of the membership fees should be considered chargeable to tax in the year of enrolment of a member whereas the balance 40% should be charged on pro rata basis over the period of membership. The Department's appeal against the said order is pending before Madras High Court. Consequently, the Group has continued to provide for income tax by computing income by applying the order of the ITAT.

The Group has been advised that after the introduction of Section 43CB with effect from April 1, 2017 the revenue from membership fees is chargeable as per ICDS IV. The Group is further advised that as per the said ICDS the revenue from membership fees is chargeable to tax by spreading the entire fees over the membership period. The Group has, accordingly, filed its Return of Income from Assessment Year 2017-18 as per ICDS and proposes to make a similar claim in the Return of Income for the Financial Year 2019-20. However in the books of accounts, the Group has continued to make its provision for tax on the basis of the order of the ITAT. Further on the basis that the Group will exercise the option to avail of the concessional tax rate as per Section 115BAA, the Group has estimated the current tax liability for the Financial Year 2019-20 and has accordingly, made provision for current tax at ₹ 2,520.37 lakhs. If the tax liability is computed applying ICDS IV the liability for current tax and corresponding payment for advance tax will be significantly lower. Due to the adoption of concessional tax rate, the Group has remeasured the carrying balance of MAT credit entitlement and accumulated deferred tax asset which has resulted in a one-time additional charge of ₹ 19,972.94 lakhs in books of accounts for the year ended March 31, 2020.

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	**18.37**	(23,883.30)
	18.37	(23,883.30)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(18.37)**	23,883.30
	(18.37)	23,883.30

All amounts are in ₹ lakhs unless otherwise stated

Note No. 46 - Current Tax and Deferred Tax (Contd.)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	**10,132.62**	9,804.70
Income tax expense calculated at 25.168%/34.944%	**2,550.18**	3,426.15
Effect of income that is exempt from taxation	**(112.74)**	(138.75)
Effect of expenses that is non-deductible in determining taxable profit	**152.22**	391.32
Effect of previous year losses on which DTA is recognised in current year	**(24.41)**	(108.39)
Effect of current year losses for which no DTA was recognised	**135.20**	116.92
Effect of change in tax rate	**19,972.94**	(39.77)
Difference in tax rate in foreign jurisdiction	**885.48**	200.03
Income tax expense recognised in statement of profit and loss	**23,558.87**	3,847.51

The tax rate used for the March 31, 2020 and March 31, 2019 reconciliations above is at the corporate tax rate plus surcharges and cess (applicable rate @ 25.168 % for March 31, 2020 and 34.944% for March 31, 2019) payable by Group on taxable profits under Indian Income Tax Laws.

(i) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2020						
	Opening Balance	Effect of Transition to Ind AS 116	Change in tax Rate	Other Changes Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
Tax effect of items constituting deferred tax liabilities							
Property, Plant and Equipment	(32,705.91)	-	2,280.16	(283.10)	-	(73.39)	(30,782.24)
Deferred Cost	(24,698.64)	-	6,909.74	(167.93)	-	-	(17,956.83)
Fair valuation of financial assets	(1,098.95)	-	319.75	(603.63)	-	-	(1,382.83)
Intangible Assets	13.50	-	-	1.79	-	6.18	21.47
Inventory	(1,000.93)	-	-	-	-	(65.71)	(1,066.64)
Other	17.16	-	-	(44.96)	-	(23.48)	(51.28)
Derivatives	(5.75)	-	-	-	-	(3.63)	(9.38)
	(59,479.52)	-	9,509.65	(1,097.83)	-	(160.03)	(51,227.73)
Tax effect of items constituting deferred tax assets							
Property, Plant and Equipment	173.19	-	-	-	-	-	173.19
Leases	-	3,579.71	(218.18)	409.09	-	156.22	3,926.84
Employee Benefits	360.05	-	(100.73)	48.68	-	-	308.00
Receivables / Revenue derecognition	1,672.18	-	(250.62)	(0.00)	-	50.97	1,472.53
Deferred Revenue	95,292.70	-	(26,479.98)	2,623.04	-	62.62	71,498.38
MAT Credit Entitlement	2,197.00	-	-	(2,197.00)	-	-	-
Provisions	58.01	-	(16.23)	0.00	-	-	41.78
Fair valuation of financial assets	22.73	-	(6.97)	(5.09)	-	-	10.67
Unabsorbed Depreciation	754.59	-	-	-	-	27.43	782.02
Unabsorbed Business Losses	1,616.49	-	(212.88)	(719.12)	-	32.71	717.20
Other	826.22	-	-	(113.66)	-	19.80	732.36
	102,973.17	3,579.71	(27,285.59)	45.94	-	349.75	79,662.97
Net Tax Asset / (Liabilities)	**43,493.65**	**3,579.71**	**(17,775.94)**	**(1,051.89)**	**-**	**189.72**	**28,435.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 46 - Current Tax and Deferred Tax (Contd.)

On September 20, 2019, the Government of India, vide the Taxation laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic Companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. During the current year, the Company has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2019-2020. Accordingly, the Company has recognised the provision for income tax for year ended March 31, 2020 and remeasured the accumulated deferred tax asset at March 31, 2020 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax has resulted in a one-time additional deferred tax asset remeasurement charge of ₹ 17,775.94 lakhs and current tax asset charge (MAT Credit Entitlement) of ₹ 2,197 lakhs in the books of accounts.

Particulars	For the Year ended March 31, 2019						
	Opening Balance	Effect of Transition to Ind AS 115	Change in tax Rate	Other Changes Recognised in profit and Loss	Recognised in OCI	Effect of change in Foreign Currency	Closing Balance
Tax effect of items constituting deferred tax liabilities							
Property, Plant and Equipment	(8,037.18)	-	-	(752.80)	(23,878.98)	(36.95)	(32,705.91)
Deferred Cost	-	(23,141.03)	-	(1,557.61)	-	-	(24,698.64)
Fair valuation of financial assets	(393.40)	-	-	(705.55)	-	-	(1,098.95)
Intangible Assets	31.05	-	-	(21.01)	-	3.46	13.50
Inventory	-	(155.99)	-	(808.69)	-	(36.25)	(1,000.93)
Other	31.49	-	-	-	-	(14.33)	17.16
Derivatives	(24.18)	-	-	19.70	-	(1.26)	(5.75)
	(8,392.23)	(23,297.02)	-	(3,825.96)	(23,878.98)	(85.33)	(59,479.52)
Tax effect of items constituting deferred tax assets							
Property, Plant and Equipment	173.19	-	-	-	-	-	173.19
Employee Benefits	339.24	-	-	20.81	-	-	360.05
Receivables / Revenue derecognition*	9,220.51	(4,452.96)	-	(3,123.49)	-	28.12	1,672.18
Deferred Revenue	-	92,832.23	-	2,437.27	-	23.20	95,292.70
MAT Credit Entitlement	-	-	-	2,197.00	-	-	2,197.00
Provisions	-	-	-	58.01	-	-	58.01
Fair valuation of financial assets	26.14	-	-	(3.41)	-	-	22.73
Unabsorbed Depreciation	769.73	-	-	-	-	(15.14)	754.59
Unabsorbed Business Losses	856.34	-	-	783.45	-	(23.30)	1,616.49
Other	772.79	-	-	64.12	-	(10.68)	826.22
	12,157.94	88,379.27	-	2,433.76	-	2.20	102,973.17
Net Tax Asset / (Liabilities)	3,765.71	65,082.25	-	(1,392.20)	(23,878.98)	(83.13)	43,493.65

* During the previous year the group had cancelled contracts where there was uncertainty of collection from customers. Consequently the corresponding receivables and deferred revenue relating to those customers were written off. These were fully provided by the group and pursuant to the write off the current tax expense is lower in the previous year and the corresponding deferred tax asset recognised, was utilised.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 47 - Earnings per Share

Basic earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (Loss) for the year after tax attributable to owner of the Group	**(13,205.90)**	6,042.04
Weighted average number of equity shares (in lakhs)	**1,329.04**	1,328.71
Earnings per share - Basic in ₹ per share	**(9.94)**	4.55

Diluted earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (Loss) for the year after tax attributable to owner of the Group	**(13,205.90)**	6,042.04
Weighted average number of equity shares (in lakhs)	**1,330.11**	1,329.70
Earnings per share - Diluted in ₹ per share*	**(9.94)**	4.54

* In the current year, Diluted EPS has not been calculated as it is Anti Dilutive.

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Weighted average number of equity shares used in the calculation of Basic EPS	**1,329.04**	1,328.71
Add: Effect of ESOPs	**1.07**	0.99
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,330.11**	1,329.70

Note No. 48 - Leases

Right of Use Asset

Particulars	As at March 31, 2020
Balance at April 1, 2019	**139,084.89**
Additions	**9,034.93**
Deletions	**(453.46)**
Amortisation of ROU	**(14,890.30)**
Effect of foreign currency exchange differences	**6,303.18**
Balance at March 31, 2020	**139,079.24**

Lease Liabilities

Particulars	As at March 31, 2020
Current	**14,584.29**
Non-Current	**142,705.19**
Lease liabilities included in the Balance Sheet as at March 31, 2020	**157,289.48**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 48 - Leases (Contd.)

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2020
Less than one year	20,767.57
1 - 2 Year	18,269.49
2 - 3 Year	17,524.33
3 - 4 Year	16,295.48
4 - 5 Year	15,701.16
More than five years	116,279.72
Total undiscounted lease liabilities as at March 31, 2020	**204,837.75**

Amounts recognised in statement of Profit and Loss

Particulars	Year ended March 31, 2020
Interest expense on lease liabilities	6,316.55
Amortisation of ROU	14,890.30
Expenses relating to short term leases	5,571.68
Total	**26,778.53**

Amounts recognised in Statement of Cash Flows

Particulars	Year ended March 31, 2020
Total Cash outflow for Leases	19,362.57

Lease Movement Disclosure Between Ind AS 17 and Ind AS 116

Particulars	As at March 31, 2020
Operating Lease Commitment as at March 31, 2019 as disclosed in the financial statements	216,879.76
Discounted using Incremental borrowing rate at April 1, 2019	157,936.88
Recognition exemption for	
Short Term Leases	(7,770.97)
Reassessment of Lease Term	4,822.27
Lease Liabilities recognised as at April 1, 2019	**154,988.18**

All amounts are in ₹ lakhs unless otherwise stated

Note No. 49 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars		**As At March 31, 2020**	As At March 31, 2019
(a)	**Income Tax matters:**		
	Claims against the Group not acknowledged as debt (for matters disputed by the Group)		
	pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Group appeal)	**52,652.65**	52,652.65
	interest included in the above	**13,584.11**	13,584.11
	pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Group appeal)	**5,153.63**	5,153.63
	interest included in the above	**1,086.96**	1,086.96
	Matters decided in favor of the Group, (but under appeal by the Department)		
	pertaining to Revenue Recognition (timing difference*) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b)	**Service Tax matters:**		
	claimed on interest on instalments and other items (inclusive of penalty where quantified in demand)*	**3,367.53**	3,080.32

* For matters pertaining to timing differences, if liability were to crystallize, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.

Notes:

1) The above amounts are based on demands raised, which the Group 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 Group's rights for future appeals. No reimbursements are expected.

2) In respect of above matters, it is not practicable for the Group to estimate the closure of these issues and the consequential timing of cash flows if any.

3) The Group has received show cause notices from service tax authorities of ₹ 21,991.33 lakhs (Previous year ₹ 21,017.00 lakhs). Group has filed its detailed reply and is confident that no payment is expected to be made for this notice.

(c) Luxury Tax matters:

In respect of certain States, the Group has received demands for payment of luxury tax for member stay at resorts as summarised below:

Particulars	**As At March 31, 2020**	As At March 31, 2019
Demands raised (inclusive of penalty)	**6,735.55**	6,735.55

The Group has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 675.10 lakhs (Previous year ₹ 675.10 lakhs) on a best estimate basis.

The above demands include demands raised by Kerala Luxury Tax authorities in respect of which the Kerala High Court (single bench) has upheld the Constitutional validity of the levy and has allowed the department to proceed with the assessment while setting aside penalty orders. The Group has filed an writ appeal before the Divisional Bench of the Kerala High Court challenging the order of the single bench. The Group had also filed SLP with the Supreme Court wherein order has been passed permitting the tax authorities to proceed with the assessments but restricted the tax authorities for making any demand pursuant to the assessment till the disposal of the appeal before the Divisional Bench of the Kerala High Court.

The provision of ₹ 675.10 lakhs (Previous Year ₹ 675.10 lakhs) referred to above includes ₹ 473 lakhs (Previous Year ₹ 473 lakhs) on the account of demand raised by Kerala Tax Authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 49 - Contingent liabilities and commitments (Contd.)

(d) Other matters under appeal (Property related)

(i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Group had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Group and cancelled the assignment of land underlying the Munnar Resort and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Group had filed a writ petition before the Kerala High Court against the said Order. The writ Petition has been disposed of by an Order dated May 21, 2019. Against the said Order, the Group has filed a Writ Appeal and by an order dated June 19, 2019, the Court granted an interim stay of all further proceedings. The matter is currently pending before Kerala High Court.

(ii) With respect to certain claims of neighbouring property owners, the Group filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against them disturbing the possession of the Group's resort property at Lonavala, Maharashtra and obtained an ad-interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Group obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Group has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector, Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

e) Other matters

(i) The Group engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Group terminated the contract. The contractor has claimed ₹ 1,256.15 lakhs as damages for termination of the Contract. The Group has made a counter claim of ₹ 2,003.56 lakhs towards liquidated damages and other losses. The matter has been heard by the Arbitrator and is reserved for Orders.

(ii) 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 ₹ 189.93 lacs. The Group 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.

(iii) The Group had acquired the entire shareholding of erstwhile Holiday on Hill Resort Private Limited (erstwhile subsidiary) in the year 2012 and subsequently it was amalgamated with the Group. In the year 2013, a Show Cause Notice was issued by the Collector, Solan to the erstwhile subsidiary under the provisions of Section 118 of HP Tenancy and Land Reforms Act, 1972 (the Act) alleging that the sale by the erstwhile subsidiary was in violation of the provisions of the Act and has required the erstwhile subsidiary to show cause why the said land should not be confiscated. The erstwhile subsidiary had responded to the said show cause notice, inter alia, submitting that it has not violated any provisions of the Act in as much as the Group has acquired only the shareholding of the erstwhile subsidiary from its shareholders and no property has been sold to the Group. The matter has been disposed off by an Order dated December 12, 2017 passed by the Financial Controller (Appeals), HP, Shimla in Revision Application preferred by the Group. The State of Himachal Pradesh has challenged the Order dated December 12, 2017 by filing a Writ Petition in the High Court of Himachal Pradesh at Shimla. The Group has filed its reply to the Writ Petition. The Writ Petition is pending.

(iv) With respect to member complaints pending before various consumer forum and other matters: Estimated amount of claims ₹ 466.98 lakhs (As at March 31, 2019: ₹ 532.36 lakhs).

All amounts are in ₹ lakhs unless otherwise stated

Note No. 49 - Contingent liabilities and commitments (Contd.)

(f) Contingent liabilities with respect to Holiday Club Resorts Oy and its subsidiaries

(i) Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and OP Corporate Bank Oyj (OP Financing), the following:

The customer's inability to pay, or if the customer otherwise is in breach with contract, gives OP Financing the right to call in the financing or to terminate the financing contract. If OP Financing claims, Holiday Club Resorts Oy has committed to redeem the financing with the amount that corresponds 50 % of the current financing agreement balance between customer and OP Financing related to the purchase of the timeshare week. Redemption price may be at maximum 50 % of the original purchase price of the timeshare week.

The financing agreement between Holiday Club Resorts Oy and OP Corporate Bank Oyj has been amended on November 2, 2014 and by this amendment the 50 % redemption in question has been renounced with regard to new sales. This amendment does not apply to those timeshares that Holiday Club Resorts Oy finances on its own risk and of which Holiday Club Resorts Oy has in 2012 signed a 100 % buyback commitment.

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Danske Bank Oyj (Sampo Financing) the following:

If Sampo Financing terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies:

If Sampo Financing claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement.

The purchase price is 30 % of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue. The above are mainly for receivables recognised prior to April 1, 2015.

(ii) Holiday Club Resorts Oy has given completion commitments to Fennia and in relation to the land areas sold to Fennia. If the completion commitments are not met, Fennia has the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been built on the plots.

(iii) Holiday Club Resorts Oy has committed to purchase back the shares of the company named Kiinteistö Oy Iso-Ylläksentie 42 from the mutual insurance company Ilmarinen no later than March 31, 2022. The buyback price on March 31, 2022 has been agreed to be Euro 4.75 million (₹ 3,948.68 lakhs) (Previous Year Euro 4.75 million - ₹ 3,686.95 lakhs)

Related to the above-mentioned agreement, Holiday Club Resorts Oy sold the business operations of Ylläs Saaga to Lapland Hotels Oy in October 2014. The lessor, mutual insurance company Ilmarinen, required that Holiday Club Resorts Oy stays in joint liability for fulfillment of the obligations of rental and buyback agreements. If the lessor makes claims towards Holiday Club Resorts Oy due to this obligation, has Holiday Club Resorts Oy a retroactive right of recourse from Lapland Hotels Oy and its parent company North European Invest Oy.

(iv) During the Holiday Club Åre asset deal the commitment given by Holiday Club Sport and Spa Hotels AB to purchase a multi-purpose arena from Åre Kongress AB in 2023, if Åre Kongress AB has not sold the arena before that, transferred to Holiday Club Sport and Spa Hotels AB. Holiday Club Resorts Oy and Holiday Club Sport and Spa Hotels AB are jointly responsible for the sales price of the arena (1.4 million euros - ₹ 1,202.46 lakhs) (Previous Year 1.7 million euros - ₹ 1,319.54 lakhs) towards Åre Kongress AB.

(v) Holiday Club Canarias Sales and Marketing company has received claims from timeshare customers arguing that the contracts are null and void. The total amount of received claims is 5.7 million euros (₹ 4,738.41 lakhs) (Previous Year 5.3 million euros - ₹ 4,113.86 lakhs). Claims are related to different interpretations of changing timeshare legislations in Spain. The company has received 121 claims out of which 77 rulings having a ruling of amount 1.2 million euros from the first instance courts. The amount to pay for rulings can be money received by the company minus the enjoyment of the weeks or minor amount. All the rulings been appealed and are expected to get the favourable outcome for the contracts signed after June 2012, which constitute the majority. Based on these rulings the company has made an accrual that is estimated to cover possible future liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 49 - Contingent liabilities and commitments (Contd.)

(g) Capital commitment:

Particulars	As At March 31, 2020	As At March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**4,628.56**	3,943.85

(h) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 : In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Group has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Group had made a provision for provident fund contribution from the date of the Supreme Court order.

Note No. 50 - Employee benefits

(a) Defined Contribution Plan

The Group's contribution to Provident Fund and Superannuation Fund aggregating ₹ 1,327.12 lakhs (2019: ₹ 1,107.18 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2020 and March 31, 2019:

	Particulars	Funded Plan	
		Gratuity	
		2020	2019
Ia.	**Expense recognised in the Statement of Profit and Loss for the year ended March 31:**		
	Current service cost	**146.51**	149.06
	Net Interest cost	**6.46**	6.19
	Components of defined benefit costs recognised in profit & loss	**152.97**	155.25
Ib.	**Included in other Comprehensive Income:**		
	Difference between actual and expected return on plan assets	**6.77**	4.83
	Actuarial (Gain)/Loss on account of :		
	Demographic Assumptions	**(0.02)**	(32.08)
	Financial Assumptions	**38.29**	37.41
	Experience Adjustments	**27.94**	3.17
	Components of defined benefit costs recognised in other comprehensive income	**72.98**	13.33
I.	**Net Liability recognised in the Balance Sheet as at March 31:**		
	1. Present value of defined benefit obligation as at March 31	**882.21**	723.74
	2. Fair value of plan assets as at March 31	**805.03**	626.02
	3. Deficit	**(77.18)**	(97.72)

All amounts are in ₹ lakhs unless otherwise stated

Note No. 50 - Employee benefits (Contd.)

	Particulars	Funded Plan Gratuity 2020	2019
II.	**Change in the obligation during the year ended March 31:**		
	Present value of defined benefit obligation at the beginning of the year	**723.74**	626.49
	Expenses Recognised in the Statement of Profit and Loss		
	- Current Service Cost	**146.51**	149.06
	- Interest Expense	**47.87**	46.95
	Recognised in Other Comprehensive Income		
	Actuarial Gain / (Loss) arising from:		
	Change in Demographic Assumptions	**(0.02)**	(32.08)
	Financial Assumptions	**38.29**	37.41
	Experience Adjustments	**27.94**	3.17
	Benefit payments	**(102.12)**	(107.26)
	Present value of defined benefit obligation at the end of the year	**882.21**	723.74
III.	**Change in fair value of assets during the year ended March 31:**		
	Fair value of plan assets at the beginning of the year	**626.02**	543.88
	Expenses Recognised in the Statement of Profit and Loss		
	Expected return on plan assets	**41.40**	40.76
	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	Difference between actual and expected return on plan assets	**(6.77)**	(4.83)
	Contributions by employer (including benefit payments recoverable)	**246.50**	153.47
	Benefit payments	**(102.12)**	(107.26)
	Fair value of plan assets at the end of the year	**805.03**	626.02
IV.	**Major categories of plan assets :**		
	Deposits with Insurance companies	**805.03**	626.02

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at March 31, 2020	March 31, 2019
Discount rate(s)	**5.15%**	6.60%
Expected rate(s) of salary increase	**5.00%**	5.00%
Expected rate of return on plan assets	**5.15%**	6.60%
Attrition	**25%-45%**	25%-45%
Mortality table	**IALM (2012-2014)**	IALM (2006-2008)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	2019-2020	0.50%	13.60	(14.01)
	2018-2019	0.50%	10.67	(10.98)
Salary growth rate	2019-2020	0.50%	(13.96)	13.68
	2018-2019	0.50%	(11.10)	10.88
Attrition rate	2019-2020	0.50%	49.65	(66.19)
	2018-2019	0.50%	31.04	(31.21)
Mortality rate	2019-2020	0.50%	(0.04)	0.04
	2018-2019	0.50%	(0.06)	0.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 50 - Employee benefits (Contd.)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Group expects to contribute ₹ 215.17 lakhs (Previous Year ₹ 210.11 lakhs) to the gratuity trust during the next financial year of 2019-20.

V. Maturity profile of defined benefit obligation:

Particulars	2020	2019
Within 1 year	**258.27**	239.52
1 - 2 year	**200.25**	160.49
2 - 3 year	**167.65**	131.86
3 - 4 year	**126.41**	106.28
4 - 5 year	**86.98**	77.48
> 5 years	**172.98**	151.19

Plan Assets

The fair value of Group's pension plan asset as of March 31, 2020 and March 31, 2019 by category are as follows:

Particulars	2020	2019
Asset category:		
Contributions placed with Insurance companies	**805.03**	626.02
	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 3 years (March 31, 2019: 3 years)

VI. Experience Adjustments:

Particulars	Year ended				
	2020	2019	2018	2017	2016
	Gratuity				
Defined Benefit Obligation	**882.21**	723.74	626.49	464.85	402.09
Fair value of plan assets	**805.03**	626.02	543.88	448.91	397.79
Surplus/(Deficit)	**(77.18)**	(97.72)	(82.61)	(15.94)	(4.30)
Experience adjustment on plan liabilities [(Gain)/ Loss]	**(66.21)**	(8.50)	(77.78)	(27.54)	8.41
Experience adjustment on plan assets [Gain/ (Loss)]	**(6.77)**	(4.83)	(31.66)	23.05	(23.86)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of Compensated absences is ₹ 370.56 lakhs (Previous Year: ₹ 244.71 lakhs).

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Financial Instruments

Capital management

The Group's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Group has the financial flexibility required to continue its expansion. Debt comprises of current borrowings, non-current borrowings and current maturities of long term borrowings.

Particulars	March 31, 2020	March 31, 2019
Debt (Excluding Lease Liability under Ind AS 116)	**86,156.73**	83,037.41
Less: Cash and cash equivalents	**8,577.01**	6,012.73
Less: Investments and Other deposits	**79,757.70**	59,944.57
Net Debt	**(2,177.98)**	17,080.11

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio. Current Investments and Other deposits also have been reduced from Debt for management monitoring purposes.

The Group is not subject to externally enforced capital regulation.

Debt-to-equity ratio is as follows:

Particulars	March 31, 2020	March 31, 2019
Debt (A)	**(2,177.98)**	17,080.11
Equity (B)	**4,630.79**	28,157.24
Debt Ratio (A / B)	**(0.47)**	0.61

Categories of financial assets and financial liabilities

As at March 31, 2020

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	1,157.79	-	1,157.79
Trade Receivables	49,905.78	-	-	49,905.78
Loans	4,426.14	-	-	4,426.14
Other Financial Assets				
- Non Derivative Financial Assets	7,500.00	-	-	7,500.00
Current Assets				
Investments	-	39,294.82	-	39,294.82
Trade Receivables	124,498.59	-	-	124,498.59
Cash & cash equivalents	8,577.01	-	-	8,577.01
Other Bank Balances	19,441.32	-	-	19,441.32
Loans	25.13	-	-	25.13
Other Financial Assets				
- Non Derivative Financial Assets	14,182.96	-	-	14,182.96
Non-current Liabilities				
Borrowings - Lease Liabilities	142,705.19	-	-	142,705.19
Borrowings	32,667.65	-	-	32,667.65
Other Financial Liabilities				
- Non Derivative Financial Liabilities	3,509.03	-	-	3,509.03
Current Liabilities				
Lease Liabilities	14,584.29	-	-	14,584.29
Trade Payables	30,872.52	-	-	30,872.52
Other Financial Liabilities				
- Non Derivative Financial Liabilities	64,877.91	-	-	64,877.91
- Derivatives (Interest rate swaps)	-	151.98	-	151.98
- Obligation to acquire non controlling interest	-	1,181.28	-	1,181.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Financial Instruments (Contd.)

As at March 31, 2019

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	-	997.77	-	997.77
Trade Receivables	57,091.78	-	-	57,091.78
Loans	4,673.09	-	-	4,673.09
Other Financial Assets				
- Non Derivative Financial Assets	26.56	-	-	26.56
Current Assets				
Investments	-	31,183.08	-	31,183.08
Trade Receivables	111,209.51	-	-	111,209.51
Cash & cash equivalents	6,012.73	-	-	6,012.73
Other Bank Balances	1,927.55	-	-	1,927.55
Loans	21.96	-	-	21.96
Other Financial Assets				
- Non Derivative Financial Assets	27,365.94	-	-	27,365.94
Non-current Liabilities				
Borrowings	56,714.09	-	-	56,714.09
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4,637.64	-	-	4,637.64
Current Liabilities				
Borrowings	1,772.41	-	-	1,772.41
Trade Payables	28,489.80	-	-	28,489.80
Other Financial Liabilities				
- Non Derivative Financial Liabilities	40,504.28	-	-	40,504.28
- Derivatives (Interest rate swaps)	-	266.88	-	266.88
- Obligation to acquire non controlling interest	-	1,694.53	-	1,694.53

Financial Risk Management Framework

The Group has a robust business risk management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the Group. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Group's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Group's Business Plan. The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	Exposure primarily from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities
Market risk - Interest rate risk	Borrowings with variable interest rates	Sensitivity analysis	Interest rate swaps

(i) Credit risk management

A significant portion of the Group's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Group in the following manner:

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Financial Instruments (Contd.)

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms.

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group. The Group also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- Deferred Revenue - Vacation ownership fee" (refer note 33 and note 39).

The allowances for credit loss and for revenue de-recognised at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Group is as under:

Particulars	March 31, 2020	March 31, 2019
Carrying value of receivables (refer note 9 and 19)*	**174,404.37**	168,301.29
Credit loss allowance	**1,025.94**	919.23
Loss allowance (%)	**0.59%**	0.55%

* With effect from FY 2015-16, the Group, in accordance with Ind AS, is deferring revenue at inception based on trends as explained and accordingly the credit loss allowance reflects a declining trend. The amounts deferred at inception and the credit loss allowance are adjusted from the carrying value of receivables (refer note 9 and 19) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

Reconciliation of credit loss allowance adjusted from Trade Receivables

Particulars	Amount
Balance as at March 31, 2019	919.23
Allowance for credit loss recognised during the year	349.19
Amounts written off during the year	(242.48)
Balance as at March 31, 2020	**1,025.94**
Balance as at March 31, 2018	3,729.01
Allowance for credit loss recognised during the year	290.88
Amounts written off during the year	(3,100.66)
Balance as at March 31, 2019	**919.23**

(ii) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Financial Instruments (Contd.)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities as at March 31, 2020				
Borrowings*	-	26,422.45	5,187.44	1,057.76
Lease Liabilities	20,767.57	35,793.82	31,996.64	116,279.72
Trade Payables	30,872.52	-	-	-
Other Financial Liabilities	-	3,509.03	-	-
Total	**51,640.09**	**65,725.30**	**37,184.08**	**117,337.48**
Non-derivative financial liabilities as at March 31, 2019				
Borrowings*	1,772.41	52,270.89	2,973.16	1,470.04
Trade Payables	28,489.80	-	-	-
Other Financial Liabilities	-	4,637.64	-	-
Total	**30,262.21**	**56,908.53**	**2,973.16**	**1,470.04**

* In addition to the principal repayments, Group will also have to pay interest as per respective applicable rates. Refer Note No 30.

Financing arrangements

The Group had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	March 31, 2020	March 31, 2019
Cash credit		
- Expiring within one year	**6,000**	6,000
Secured Bank Overdraft facility		
- Expiring beyond one year	**5,364**	3,258
	11,364	9,258

(iii) Market risk management

The Group's market risk comprises of its foreign currency exposure and interest rate fluctuations.

Currency Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's investing activities when transactions are denominated in a different currency from the Group's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	in ₹ lakhs	
		March 31, 2020	March 31, 2019
Receivables	MYR	**772.21**	739.57
	EUR	**42,372.54**	31,597.53
	AED	**1,555.17**	1,282.08
	THB	**1,087.41**	1,313.16
	SEK	**1,719.00**	9,097.15

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Financial Instruments (Contd.)

Particulars	Currency	in ₹ lakhs	
		March 31, 2020	March 31, 2019
Loans payable (including interest)	THB	**3,840.68**	3,247.34
	EUR**	**61,392.98**	54,734.23
	SEK	**2,792.51**	4,828.04
Payables	MYR	**777.16**	731.95
	EUR	**38,809.06**	29,091.57
	AED	**1,909.11**	1,299.09
	THB	**1,005.68**	985.42
	BTN	**37.35**	-
	LKR	**0.84**	-
	SGD	**77.97**	-
	SEK	**339.67**	-
	USD	**419.34**	5.38

Of the above foreign currency exposures, none of the exposures are hedged by a derivative. These foreign currency exposures are denominated in currencies that are not very volatile. Hence, the Group is not exposed to major currency risks.

Foreign Currency Sensitivity

The Group is exposed to the following currency risks - AED, THB, MYR,USD, SEK, BTN, LKR, SGD and EUR - and the following table demonstrates the sensitivity.

Particulars	Currency	Change in rate	Impact on profit before tax
March 31, 2020	**MYR**	**+10%**	**(0.50)**
	MYR	**-10%**	**0.50**
	EUR	**+10%**	**(5,782.95)**
	EUR	**-10%**	**5,782.95**
	AED	**+10%**	**(35.39)**
	AED	**-10%**	**35.39**
	THB	**+10%**	**(375.90)**
	THB	**-10%**	**375.90**
	BTN	**+10%**	**(3.73)**
	BTN	**-10%**	**3.73**
	LKR	**+10%**	**(0.08)**
	LKR	**-10%**	**0.08**
	SGD	**+10%**	**(7.80)**
	SGD	**-10%**	**7.80**
	SEK	**+10%**	**(141.32)**
	SEK	**-10%**	**141.32**
	USD	**+10%**	**(41.93)**
	USD	**-10%**	**41.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 51 - Financial Instruments (Contd.)

Particulars	Currency	Change in rate	Impact on profit before tax
March 31, 2019	MYR	+10%	0.76
	MYR	-10%	(0.76)
	EUR	+10%	(5,222.83)
	EUR	-10%	5,222.83
	AED	+10%	(1.70)
	AED	-10%	1.70
	THB	+10%	(291.96)
	THB	-10%	291.96
	SEK	+10%	426.91
	SEK	-10%	(426.91)
	USD	+10%	(0.54)
	USD	-10%	0.54

** Euro denominated borrowings of ₹ 27,440.54 lakhs (Previous Year : ₹ 12,772.23 lakhs) are considered as hedging instrument for Net investment in foreign operation. Gain/loss on net borrowing (to the extent of effective portion of hedge) is recognised in Other comprehensive income. Refer Note No. 61.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Effect on profit before tax
March 31, 2020	**EUR**	**+100**	**(778.80)**
	₹	**+100**	**(42.25)**
	THB	**+100**	**(38.35)**
	EUR	**-100**	**778.80**
	₹	**-100**	**42.25**
	THB	**-100**	**38.35**
March 31, 2019	EUR	+100	(720.08)
	₹	+100	(55.67)
	THB	+100	(32.41)
	EUR	-100	720.08
	₹	-100	55.67
	THB	-100	32.41

For a few borrowings, the Group has entered into interest rate swap agreements to swap its floating interest rates to fixed interest rates. The said derivatives are marked to market at the end of each reporting period and the resultant gain/loss recognized in the statement of profit and loss.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 52 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities* measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2020	March 31, 2019		
Financial assets				
Investments				
Mutual fund investments	**39,294.82**	31,183.08	Level 1	Refer note 1 below
Equity and preference investments	**1,157.79**	997.77	Level 3	Refer note 2 below
Total financial assets	**40,452.61**	32,180.85		
Financial liabilities				
Derivative instruments- Interest rate swaps	**151.98**	266.88	Level 2	Refer note 3 below
Obligation to acquire non controlling interest	**1,181.28**	1,694.53	Level 3	Refer note 4 below
Total financial liabilities	**1,333.26**	1,961.41		

Note 1: Fair value determined using NAV

Note 2: Fair value determined using discounted cash flow method

Note 3: Fair value is determined using the present value of future expected payments and Option pricing model i.e.., "Monte Carlo Simulation" as applicable.

Note 4: Fair value is determined using the present value of the estimated future cash flows based on observable yield curves.

Reconciliation of Level 3 fair values

Particulars	Equity and Preference	Obligation to acquire non controlling interest
Balance as at April 1, 2019	997.77	1,694.53
Additions	-	-
Deletions	-	-
Changes during the year	160.02	(513.25)
Balance as at March 31, 2020	**1,157.79**	**1,181.28**

* Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

Note No. 53 - Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the Company during the year is ₹ 365 lakhs (Previous Year : ₹ 410 lakhs)

Particulars	Paid	Yet to be paid	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	365.15	-	365.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 54 - Capital work-in-progress (CWIP) and expenditure during construction pending allocation included therein:

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Work-in-progress	**24,256.06**	22,324.55

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

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries, Wages & Bonus	**2,123.13**	2,040.65
Staff welfare Expenses	**44.05**	38.08
Power & Fuel	**36.17**	42.48
Rent	**30.66**	24.32
Rates & Taxes	**0.48**	11.35
Repairs-Others	**16.40**	19.59
Travelling	**133.02**	132.59
Consultancy Charges	**181.19**	184.49
Freight	**-**	10.27
Miscellaneous	**146.66**	154.10
	2,711.76	2,657.92

Note No. 55 - Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2020.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 56 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (""CODM"") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Group has identified the following segments as reporting segments based on the information reviewed by CODM:

- Mahindra Holidays & Resorts India Limited (MHRIL)

- Holiday Club Resorts OY (HCRO)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Segment Revenue:		
- MHRIL	**104,752.68**	97,635.30
- HCRO	**138,163.01**	131,268.31
Total Segment Revenue	**242,915.69**	228,903.61
- Other unallocable revenue	**198.87**	662.44
Segment Total Income	**243,114.56**	229,566.05
Segment Results:		
- MHRIL profit before tax	**12,021.63**	9,697.55
- HCRO profit before tax	**1,546.17**	935.97
Total Segment results	**13,567.80**	10,633.52
- Other unallocable expenditure net of unallocable income*	**(3,435.18)**	(828.82)
Total Segment results	**10,132.62**	9,804.70
Segment Assets		
- MHRIL	**653,220.05**	622,537.16
- HCRO	**234,293.86**	105,599.08
Total Segment Assets	**887,513.91**	728,136.24
- Unallocated corporate assets	**1,064.71**	123.84
Total Assets	**888,578.62**	728,260.08
Segment Liabilities		
- MHRIL	**633,245.52**	584,738.64
- HCRO	**188,224.14**	57,428.82
Total Segment liabilities	**821,469.66**	642,167.46
- Unallocated corporate liabilities	**61,545.79**	54,997.82
Total liabilities	**883,015.45**	697,165.28

* includes translation difference on foreign currency borrowings current year loss of ₹ 2,251.85 lakhs (previous year gain of ₹ 255.53 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 57 - Related party transactions

Particulars		March 31, 2020	March 31, 2019
Transactions during the year:	**Holding company**		
Sale of services	Mahindra & Mahindra Limited	**17.22**	257.22
Purchases of PPE	Mahindra & Mahindra Limited	**42.17**	111.07
Purchase of services	Mahindra & Mahindra Limited	**612.61**	616.20
Dividend paid (Including Dividend Distribution Tax)	Mahindra & Mahindra Limited	**-**	4,334.70
	Fellow Subsidiaries / Associates		
Sale of services	Mahindra Intertrade Ltd	**1.26**	1.23
	Mahindra Lifespace Developers Ltd	**14.12**	13.48
	Mahindra Rural Housing Finance Ltd	**0.08**	0.33
	Bristlecone India Limited	**-**	0.20
	Tech Mahindra Limited	**-**	2.65
Interest Income	Mahindra Rural Housing Finance Ltd	**56.88**	-
	Mahindra & Mahindra Financial Services Ltd	**13.33**	-
Purchase of PPE	Mahindra Retail Private Limited	**255.35**	547.93
Purchase of services	Mahindra Integrated Business Solutions Pvt Ltd	**294.78**	277.39
	Mahindra Defence Systems	**-**	20.82
	Trringo.com Limited	**-**	1.13
	Mahindra Retail Private Limited	**59.25**	104.97
	Bristlecone India Limited.	**243.75**	168.05
	Tech Mahindra Ltd	**260.90**	426.28
	Directors Interest		
Purchase of services	Grassroutes Journeys Pvt Ltd	**0.61**	2.97
	Nowigence India Private Limited	**7.80**	-
Managerial remuneration:	**Key Management Personnel**		
	Mr. Kavinder Singh	**464.67**	416.28
	Mr. S Krishnan (Upto January 21, 2018)	**-**	38.18
	Mrs. Akhila Balachandar	**132.82**	120.20
	Mr. Dinesh Shetty (Upto March 31, 2018)	**-**	25.70
	Mr. Nirav Momaya (wef September 28, 2018 upto October 29, 2018)	**-**	1.52
	Mr. Dhanraj Mulki (wef October 29, 2018)	**72.09**	25.09
	Directors Sitting Fees	**39.70**	43.50
	Commission to non whole time directors	**129.00**	105.00
Investment in Inter Corporate Deposits	**Fellow Subsidiaries/Associates**		
	Mahindra Rural Housing Finance Ltd	**6,500.00**	-
	Mahindra & Mahindra Financial Services Ltd	**1,590.00**	-
Balances as at:	**Holding company**		
Outstanding: Payable	Mahindra & Mahindra Limited	**335.98**	436.97
Outstanding: Receivable	Mahindra & Mahindra Limited	**3.67**	13.30
	Fellow Subsidiaries / Associates		
Outstanding: Payable	Mahindra Retail Pvt Ltd	**69.11**	3.88
	Tech Mahindra Ltd	**160.89**	196.74
	Bristlecone India Limited	**-**	27.49
	Mahindra Integrated Business Solutions Private Limited	**53.09**	33.16
Outstanding: Receivable	Mahindra Lifespace Developers Ltd	**8.95**	5.65
Other Deposits (Including accrued interest)	Mahindra & Mahindra Financial Services Ltd	**1,602.00**	-
	Mahindra Rural Housing Finance Ltd	**6,551.18**	-

All amounts are in ₹ lakhs unless otherwise stated

Note No. 58 (a) - Investments in associate

Particulars	No of equity shares held	% of holding	Original cost of investment	Amount of goodwill/ capital reserve in original cost	Carrying amount of investments
Koy Seniori Saimaa	**950,000**	**31.00%**	**712.22**	**-**	**128.85**
Investment in associate previous year					
Koy Seniori Saimaa	950,000	29.91%	712.22	-	120.31

Summarised financial information in respect of each of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate financial statements.

Particulars - Koy Seniori Saimaa	March 31, 2020	March 31, 2019
Current assets	**60.77**	24.36
Non-current assets	**1,268.59**	1,184.50
Current liabilities	**98.26**	91.79
Revenue	**-**	-
Profit or loss from continuing operations	**-**	-
Profit / (loss) for the year	**-**	-
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**-**	-

Note No. 58 (b) - Investments in joint venture

Particulars	No of equity shares held	% of holding	Original cost of investment	Carrying amount of investments
Tropiikin Rantasauna Oy	**50**	**50.00%**	**43.28**	**54.03**
Investment in joint venture in previous year				
Tropiikin Rantasauna Oy	50	48.23%	43.28	48.83

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture financial statements.

Particulars - Tropiikin Rantasauna Oy	March 31, 2020	March 31, 2019
Current assets	**9.46**	10.55
Non-current assets	**146.38**	146.91
Current liabilities	**2.06**	17.12
Non-current liabilities	**45.72**	42.69
Revenue	**26.03**	26.94
Profit / (loss) for the period	**3.29**	6.35
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**3.29**	6.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 59 - Changes in liabilities arising from financing activities

Particulars	As at March 31, 2019	Cash Flow from financing activities		Forex Movement	As at March 31, 2020
		Additions	Repayment		
Non current borrowings (including current maturities of non current debt)	81,265.00	24,446.03	(24,913.04)	5,358.74	86,156.73
Current borrowings	1,772.41	1,529.20	(3,301.61)	-	-
Total	**83,037.41**	**25,975.23**	**(28,214.65)**	**5,358.74**	**86,156.73**

Particulars	As at March 31, 2018	Cash Flow from financing activities		Forex Movement	As at March 31, 2019
		Additions	Repayment		
Non current borrowings (including current maturities of non current debt)	78,495.69	13,465.77	(7,889.32)	(2,807.14)	81,265.00
Current borrowings	2,494.34	3,813.94	(4,519.18)	(16.69)	1,772.41
Total	**80,990.03**	**17,279.71**	**(12,408.50)**	**(2,823.83)**	**83,037.41**

Note No. 60 - Revenue from contract with customers

a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
Over time (A)		
Revenue from sale of Vacation ownership	**34,670.75**	31,546.67
Annual subscription fee	**29,130.08**	26,139.56
Total (A)	**63,800.83**	57,686.23
At a point in time (B)		
Revenue from sale of vacation ownership weeks	**33,390.09**	40,790.60
Revenue from sale of vacation ownership weeks in villas	**28,501.03**	14,405.73
Income From resorts:		
Room rentals	**31,806.99**	31,171.20
Other rentals	**1,580.31**	1,500.64
Club, sport and spa	**14,375.38**	13,692.09
Resort Management	**5,583.00**	5,439.42
Events, conferences and other activities	**3,610.93**	3,815.71
Food and beverages	**30,317.62**	30,235.01
Wine and liquor	**5,194.38**	5,583.79
Others	**5,038.88**	4,956.72
Total (B)	**159,398.61**	151,590.91
Total Revenue from contract with customers (A + B)	**223,199.44**	209,277.14

All amounts are in ₹ lakhs unless otherwise stated

Note No. 60 - Revenue from contract with customers (Contd.)

b) Movement of Deferred Acquisition Cost and Deferred Contract Liability

1 Movement of Deferred Acquisition Cost

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**68,842.63**	64,432.68
i) Additions during the year	**7,217.44**	8,787.26
ii) Amortised during the year	**(4,712.21)**	(4,377.31)
Closing Balance	**71,347.86**	68,842.63

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

2 Movement of Deferred Contract Liability

Particulars	March 31, 2020			
	Vacation Ownership (MHRIL)	Annual Subscription Fee (MHRIL)	Deferred Contract liability (HCRO)	Total
Opening Balance	510,744.77	13,187.00	10,425.96	534,357.73
i) Addition during the year (Net)	61,063.46	30,679.26	24,468.92	116,211.64
ii) Income recognised during the year	(34,670.75)	(29,130.08)	(23,449.46)	(87,250.29)
Closing Balance	**537,137.48**	**14,736.18**	**11,445.42**	**563,319.08**

Particulars	March 31, 2019			
	Vacation Ownership (MHRIL)	Annual Subscription Fee (MHRIL)	Deferred Contract liability (HCRO)	Total
Opening Balance	493,103.38	12,238.79	13,282.48	518,624.65
i) Addition during the year (Net)	49,188.06	27,087.77	7,381.20	83,657.03
ii) Income recognised during the year	(31,546.67)	(26,139.56)	(10,237.72)	(67,923.95)
Closing Balance	510,744.77	13,187.00	10,425.96	534,357.73

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

c) Obligations for returns, refunds and other similar obligations:

Particulars	As at March 31, 2020	As at March 31, 2019
Returns, refunds and other similar obligations	**769.81**	1,745.39
Total	**769.81**	1,745.39

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in ₹ lakhs unless otherwise stated

Note No. 60 - Revenue from contract with customers (Contd.)

d) Revenue expected to be recognised in the future from Deferred Contract Liability:

Time Band	March 31, 2020			
	Vacation Ownership (MHRIL)	**Annual Subscription Fee (MHRIL)**	**Deferred Contract liability (HCRO)**	**Total**
< 1 Year	37,496.69	14,736.18	8,503.75	60,736.62
1 - 2 Year	36,924.80	-	462.10	37,386.90
2 - 3 Year	36,504.60	-	495.64	37,000.24
3 - 4 Year	36,152.60	-	529.19	36,681.79
4 - 5 Year	35,919.86	-	561.02	36,480.88
5-10 Year	166,977.12	-	893.72	167,870.84
> 10 year	187,161.81	-	-	187,161.81
Total	**537,137.48**	**14,736.18**	**11,445.42**	**563,319.08**

Time Band	March 31, 2019			
	Vacation Ownership (MHRIL)	Annual Subscription Fee (MHRIL)	Deferred Contract liability (HCRO)	Total
< 1 Year	34,111.51	13,187.00	7,467.94	54,766.45
1 - 2 Year	33,812.31	-	402.77	34,215.08
2 - 3 Year	33,329.39	-	434.08	33,763.47
3 - 4 Year	33,019.38	-	465.40	33,484.78
4 - 5 Year	32,877.56	-	496.72	33,374.28
5-10 Year	156,239.45	-	1,159.05	157,398.50
> 10 year	187,355.17	-	-	187,355.17
Total	510,744.77	13,187.00	10,425.96	534,357.73

The deferred contract liability broken year wise shows summary of Vacation Ownership, Annual subscription fee , Villas and other deferred contract liability recognizable over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

e) Reconciliation of revenue from contract with customers

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Revenue from contract with Customers as per the contract price	**245,054.95**	228,891.45
Adjustments made to contract price on account of :-		
Discounts / Rebates / Incentives	**(21,855.51)**	(19,614.31)
Revenue from contract with Customers as per the statement of Profit and Loss	**223,199.44**	209,277.14

Note No. 61 - Net investment hedge

From April 1, 2018, the Group has considered certain borrowing instrument as a hedging instrument for its investment in foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR') - a component of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

All amounts are in ₹ lakhs unless otherwise stated

Note No. 61 - Net investment hedge (Contd.)

Currency exchange risk hedged	**March 31, 2020**	
	Euro to ₹	
	Euro	**₹**
Carrying value of hedging instruments (borrowings)	**330.09**	**27,440.54**
Maturity date	**August 2020 to November 2022**	
Change in fair value during the year:		
Hedged item	**526.32**	**43,752.66**
Hedging instrument	**330.09**	**27,440.54**
Hedging (gain)/loss recognised during the year in Other comprehensive Income		**1,732.19**
Gain/Loss reclassification during the year to Statement of Profit & Loss		**Nil**

Currency exchange risk hedged	March 31, 2019	
	Euro to ₹	
	Euro	₹
Carrying value of hedging instruments (borrowings)	164.55	12,772.23
Maturity date	July 2019 to August 2020	
Change in fair value during the year:		
Hedged item	664.61	51,587.15
Hedging instrument	164.55	12,772.23
Hedging (gain)/loss recognised during the year in Other comprehensive Income		(500.23)
Gain/Loss reclassification during the year to Statement of Profit & Loss		Nil

Note No. 62 - Contribution to Political Parties

Payments made by the Company to Political Parties in India in accordance with Section 182 of Companies Act, 2013, during the year as follows:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
New Democratic Electoral Trust (included under 'Miscellaneous expenses' in Note 45)	**50.00**	-

Note No. 63 - Estimation uncertainty relating to COVID-I9 outbreak

The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to recover the carrying amount of its current and non current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

Note No. 64

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure.

The Consolidated financial statements of Mahindra Holidays & Resorts India Limited were approved by the Board of Directors and authorised for issue on May 9, 2020.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 9, 2020

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 9, 2020

Annexure A

Form AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate company/joint venture
Part "A" Subsidiaries

(₹ In lakhs)

Sl No	Name of Subsidiary	Date since when subsidiary was acquired	Reporting for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest
1	Gables Promoters Private Limited	24-Aug-12	-	₹	6,500.00	1,714.08	16,292.17	8,078.09	-	1,827.70	(147.81)	-	(147.81)	-	100%
2	Mahindra Hotels & Residence India Limited	26-Apr-07	-	₹	5.00	(19.30)	0.49	14.78	-	-	(1.52)	-	(1.52)	-	100%
3	Arabian Dreams Hotel Apartment L.L.C.	26-Mar-13	-	AED	61.61	445.87	1,485.83	978.35	-	2,043.88	510.32	-	510.32	-	49%
4	Heritage Bird (M) SDN. BHD.	03-Mar-08	-	MYR	52.50	(72.30)	722.78	742.58	-	125.99	50.19	16.27	33.92	-	100%
5	MH Boutique Hospitality Limited	02-Nov-12	-	THB	230.87	(382.37)	878.79	1,030.28	877.32	0.01	(23.32)	-	(23.32)	-	49%
6	Infinity Hospitality Group Company Limited	05-Nov-12	-	THB	3,463.11	(2,655.86)	4,672.17	3,864.92	-	707.43	(201.13)	-	(201.13)	-	74%
7	MHR Holdings (Mauritius) Ltd	11-Jul-14	-	Euro	120.54	(3,510.35)	56,713.33	60,103.13	19,272.31	898.00	(674.86)	-	(674.86)	-	100%
8	Covington S.a.r.l	17-Jul-14	-	Euro	10.39	19,524.51	59,645.44	40,110.54	56,408.24	1,110.22	90.01	5.04	84.97	-	100%
9	HCR Management Oy	02-Sep-15	-	Euro	2.08	1,883.60	1,886.93	1.25	1,741.37	41.42	39.90	-	39.90	-	100%
10	Holiday Club Resorts Oy	02-Sep-15	-	Euro	9,942.00	38,368.04	96,700.19	48,390.16	6,547.43	108,962.59	171.72	6.60	165.12	-	100%
11	Kiinteistö Oy Himos Gardens	02-Sep-15	-	Euro	2.08	903.02	905.10	-	-	8.71	7.13	1.43	5.70	-	100%
12	Suomen Vapaa-aikakiinteistöt Oy LKV	02-Sep-15	-	Euro	2.08	11.45	14.11	0.58	-	0.15	(0.92)	-	(0.92)	-	100%
13	Kiinteistö Oy Vanha Ykköstii	02-Sep-15	-	Euro	2.08	50.53	52.62	0.01	-	-	4.28	-	4.28	-	100%
14	Kiinteistö Oy Katinnurkka	02-Sep-15	-	Euro	2.08	264.22	266.32	0.02	-	-	5.83	-	5.83	-	100%
15	Kiinteistö Oy Tenetinlahti	02-Sep-15	-	Euro	2.08	96.22	98.31	0.01	-	-	2.86	-	2.86	-	100%
16	Kiinteistö Oy Mällösniemi	02-Sep-15	-	Euro	7.48	243.07	253.58	3.03	-	15.13	(0.63)	-	(0.63)	-	100%
17	Kiinteistö Oy Rauhan Ranta 1	02-Sep-15	-	Euro	2.08	113.60	115.67	-	-	-	7.55	-	7.55	-	100%
18	Kiinteistö Oy Rauhan Ranta 2	02-Sep-15	-	Euro	2.08	195.70	197.82	0.04	-	-	24.26	-	24.26	-	100%
19	Kiinteistö Oy Tiurunniemi	02-Sep-15	-	Euro	2.08	332.83	334.91	-	-	-	31.41	-	31.41	-	100%
20	Kiinteistö Oy Rauhan Liikekiinteistöt 1	02-Sep-15	-	Euro	2.08	1,517.36	7,284.20	5,764.76	-	705.52	38.38	-	38.38	-	100%
21	Supermarket Capri Oy	02-Sep-15	-	Euro	83.13	67.88	179.74	28.72	0.83	387.50	9.64	-	9.64	-	100%
22	Kiinteistö Oy Kylpylantorni 1	02-Sep-15	-	Euro	2.08	207.46	209.54	-	-	-	(1.21)	-	(1.21)	-	100%
23	Kiinteistö Oy Spa Lofts 2	02-Sep-15	-	Euro	2.08	122.56	124.64	0.00	-	-	2.14	-	2.14	-	100%
24	Kiinteistö Oy Spa Lofts 3	02-Sep-15	-	Euro	2.08	121.44	123.52	0.01	-	-	2.98	-	2.98	-	100%
25	Kiinteistö Oy Kuusamon Pulkkajärvi 1	02-Sep-15	-	Euro	2.10	232.42	281.78	47.26	-	9.67	2.50	0.50	2.00	-	100%
26	Ownership Service Sweden Ab	02-Sep-15	-	Swedish Krona	7.51	140.62	630.38	482.26	-	-	(0.64)	-	(0.64)	-	100%
27	Åre Villa 3 AB	26-Jan-18	-	Swedish Krona	3.75	342.15	349.65	3.75	-	-	(0.12)	-	(0.12)	-	100%
28	Holiday Club Sweden Ab Åre	02-Sep-15	-	Swedish Krona	7.51	9,505.19	14,903.82	5,391.13	696.44	3.34	(0.33)	-	(0.33)	-	100%
29	Holiday Club Sport and Spa hotels AB	01-Dec-15	-	Swedish Krona	75.06	137.43	3,880.42	3,667.94	-	10,764.84	(131.65)	-	(131.65)	-	51%

(₹ In lakhs)

Sl No	Name of Subsidiary	Date since when subsidiary was acquired	Reporting for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest
30	Holiday Club Resorts Rus LLC	02-Sep-15	31-Dec-19	Russian Ruble	0.00	(0.04)	0.38	0.42	-	0.16	(0.08)	(0.01)	(0.07)	-	100%
31	Holiday Club Canarias Investments S.L.	02-Sep-15	-	Euro	2.58	(0.62)	1,020.55	1,018.59	1,017.42	-	(1.51)	(0.38)	(1.13)	-	100%
32	Holiday Club Canarias Sales & Marketing S.L.	02-Sep-15	-	Euro	2.58	250.50	12,892.58	12,639.50	-	4,759.68	(237.16)	(141.99)	(95.17)	-	100%
33	Holiday Club Canarias Resort Management S.L.	02-Sep-15	-	Euro	2.58	3,344.44	9,502.17	6,155.15	-	4,389.09	448.59	72.18	376.42	-	100%
34	Holiday Club Canarias Vacation Club SLU (formerly Passeport Sante SL)	18-Dec-18	-	Euro	2.49	427.77	1,408.31	978.05	520.42	3,006.49	572.48	143.12	429.36	-	100%

Note : Translated at exchange rate prevailing as on March 31, 2020 MYR 1 = ₹ 17.4983, THB 1 - ₹ 2.3087, Eur 1 = ₹ 83.1330, AED 1 = ₹ 20.5370, RUB 1 = ₹ 0.9587 and SEK 1 = ₹ 7.5055

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Venture
Part "B" Associate & Joint Venture

(₹ in lakhs)

Sl. No.	Name of the Associate / Joint-Venture	Date since when Associate and Joint Venture was acquired	Latest Audited Balance Sheet Date	Share of Associate/Joint Venture held by the Company on the year end			Description how there is Significant Influence	Reason why the Associate/ Joint Venture not Consolidated	Net Worth attributable to shareholding as per the latest audited Balance Sheet	Profit/(Loss) for the year	
				No of Shares held	Carrying amount of investment in Associate/ Joint Venture	Extent of Holding - %				Considered in Consolidation	Not Considered in Consolidation
Associate :											
1	Kiinteistö Oy Seniori-Saimaa	2-Sep-15	31-Mar-20	950,000	128.85	31.00%	Voting Rights	NA	381.64	-	(60.95)
Joint Venture :											
1	Tropiikin Rantasauna Oy	31-Aug-16	31-Mar-20	50	54.03	50.00%	Joint Control	NA	54.03	1.65	1.65

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

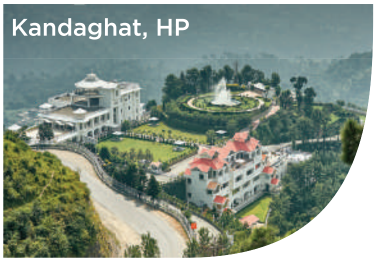
Kavinder Singh
Managing Director & CEO
DIN: 06994031

Akhila Balachandar
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date : May 9, 2020

Notes



ClubMahindra